



City Council Meeting and Workshop

December 15, 2014

Agenda

5:30 P.M. Workshop

- A. Audit Presentation – Jill Eastman (30 minutes)
- B. Norway Savings Bank Arena Management and Financial Update – Tim Holden (60 minutes)

After each workshop item is presented, the public will be given an opportunity to comment.

7:00 P.M. City Council Meeting

Roll call votes will begin with Councilor Hayes

Pledge of Allegiance

- I. Consent Items** – All items listed with an asterisk (*) are considered as routine and will be approved in one motion. There will be no separate discussion of these items unless a Councilor or citizen so requests. If requested, the item will be removed from the consent agenda and considered in the order it appears on the agenda.

- 1. Order 100-12152014***
Accepting the 2014 Audit.

- II. Minutes**
- November 24, 2014 Special Council Meeting
 - December 1, 2014 Regular Council Meeting

III. Reports*

**For trial period, Council agree to shift Reports to the last item on the meeting agenda. To do so, a motion should be made "To suspend the rules and move item III. Reports on the agenda to immediately after item VIII. Executive Session".*

Mayor's Report

City Councilors' Reports

City Manager Report

Finance Director, Jill Eastman - November 2014 Monthly Finance Report

IV. Communications, Presentations and Recognitions

Communication – Letter from the Sabattus Selectmen to the Androscoggin County Commissioners regarding Commissioner compensation.

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V. Open Session – Members of the public are invited to speak to the Council about any issue directly related to City business which is *not on this agenda*. Time limit for open sessions, by ordinance, is 45 minutes.

VI. Unfinished Business

2. Ordinance 10-12012014

Approving the proposed ordinance amendment in Chapter 2, Article VI, section 2-485 (Council action on budget increase). Second reading.

VII. New Business

3. Order 101-12152014

Approving the Special Amusement Permit for Jasmine Café, located at 730 Center Street. Public hearing.

4. Order 102-12152014

Approving the Hartt Transportation TIF (Tax Increment Financing). Public hearing.

5. Order 103-12152014

Approving an Auto Graveyard/Junkyard permit for Morris Auto Parts located on 940 Washington Street. Public hearing.

VIII. Executive Session

- Discussion regarding real estate matter, pursuant to 1 M.R.S.A. 405(6)(C) with possible action to follow.
- Discussion regarding labor contracts, pursuant to 1 M.R.S.A. 405(6)(D) with possible public presentation and action to follow.

IX. Open Session - Members of the public are invited to speak to the Council about any issue directly related to City business which is *not on this agenda*.

X. Adjournment

Executive Session: On occasion, the City Council discusses matters which are required or allowed by State law to be considered in executive session. Executive sessions are not open to the public. The matters that are discussed in executive session are required to be kept confidential until they become a matter of public discussion. In order to go into executive session, a Councilor must make a motion in public. The motion must be recorded, and 3/5 of the members of the Council must vote to go into executive session. An executive session is not required to be scheduled in advance as an agenda item, although when it is known at the time that the agenda is finalized, it will be listed on the agenda. The only topics which may be discussed in executive session are those that fall within one of the categories set forth in Title 1 M.R.S.A. Section 405(6). Those applicable to municipal government are:

- A. Discussion of personnel issues
- B. Discussion or consideration by a school board of suspension or expulsion
- C. Discussion or consideration of the condition, acquisition or the use of real or personal property permanently attached to real property or interests therein or disposition of publicly held property or economic development only if premature disclosures of the information would prejudice the competitive or bargaining position of the body or agency
- D. Labor contracts

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- E. Contemplated litigation
- F. Discussions of information contained in records made, maintained or received by a body or agency when access by the general public to those records is prohibited by statute;
- G. Discussion or approval of the content of examinations administered by a body or agency for licensing, permitting or employment purposes; consultation between a body or agency and any entity that provides examination services to that body or agency regarding the content of an examination; and review of examinations with the person examined; and
- H. Consultations between municipal officers and a code enforcement officer representing the municipality pursuant to Title 30-A, section 4452, subsection 1, paragraph in the prosecution of an enforcement matter pending in District Court when the consultation relates to that pending enforcement matter.



City Council Information Sheet

City of Auburn

Council Workshop or Meeting Date: 12/15/14

Order 100-12152014*

Author: Jill Eastman, Finance Director

Subject: Acceptance of the FY14 Comprehensive Annual Financial Report (CAFR)

Information: The FY 14 CAFR is complete and needs to be accepted.

Advantages: N/A

Disadvantages: N/A

City Budgetary Impacts: None

Staff Recommended Action: Passage

Previous Meetings and History: Presentation by the auditing firm Runyon Kersteen and Ouellette at the workshop on 12/15/14. Printed documents were distributed to Council at the December 1, 2014 meeting.

Attachments:

2014 CAFR (Members of the City Council received copies on 12/1/2014)

Order 100-12152014

City of Auburn, Maine

Comprehensive Annual Financial Report



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*For Fiscal Year Ended
June 30, 2014*

CITY OF AUBURN, MAINE

Finance Department

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended
June 30, 2014

Prepared By:
Finance and Management

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CITY OF AUBURN, MAINE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2014

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INTRODUCTORY SECTION

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City of Auburn, Maine

"Maine's City of Opportunity"

Financial Services



November 24, 2014

Honorable Mayor Labonte and
Members of the City Council
Auburn, Maine

Ladies and Gentlemen:

The comprehensive annual financial report of the City of Auburn, Maine for the fiscal year ended June 30, 2014, is hereby submitted in accordance with the requirements of both our City Charter and State statutes. The Charter and statutes require that the City issue an annual report of its financial position and activity, and that this report be audited by an independent firm of certified public accountants. This is the twelfth year that the City's Financial Services Department has prepared this report using the reporting requirements prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34. Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the City of Auburn on a government-wide and fund basis. All disclosures necessary to enable the reader to gain the maximum understanding of the City's activities have been included.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The "Single Audit" is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including a schedule of federal awards, findings, recommendations and the independent auditor's report on compliance for each major program and on internal control over compliance, are included in a separately issued single audit report.

Accounting Principles Generally Accepted in the United States of America (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Governmental Structure

The City of Auburn, incorporated in 1869, is located on the west bank of the Androscoggin River, in the south central section of the State and is the fourth largest City in the State of Maine. The City of Auburn continues to be a key area within the State in which industrial and commercial companies are investing. Auburn has a land area of 64 square miles and a population of 23,602. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council, which consists of a mayor and a seven-member council. The Council is elected on a non-partisan basis. The mayor and council members are elected to two-year terms. Five of the council members are elected from within their respective districts. The mayor and the two remaining council members are elected at large. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the City's departments.

The City of Auburn provides a full range of services, including police and fire protection, sanitation services, the construction and maintenance of highways, streets and infrastructure, solid waste collection, public education, health and social welfare, recreation, general administration and economic development.

Major Initiatives during Fiscal Year 2014

Economic Development

The City works continually to improve the economic development climate in Auburn in an effort to attract new and retain existing quality jobs, expand the City's tax base and offer a quality of life that people desire. Although impacted, similar to every other community, by the economic downturn; Auburn has continued to experience a slow and steady recovery with our local unemployment rate reflecting a stronger position than either the State of Maine or the United States.

The City has a three-prong approach to economic development to ensure that we continue the diversification of our tax base and the balanced development of our community by encouraging growth in all sectors. Auburn's efforts are focused in three areas: 1) development of industrial parks, 2) the downtown and 3) the mall area. Significant progress was made in all three areas.

The City, in partnership with Auburn Business Development Corporation (a private, nonprofit development corporation), is moving forward on the City's newest industrial park. All permitting is completed and infrastructure improvements have begun. This development includes 174 acres and is located near the Auburn-Lewiston Municipal Airport and the intermodal facility.

The City hired a new assistant to the Economic Development Director, whose primary focus is the downtown. He has begun the process of developing citizen involvement by conducting walking tours of the downtown and various discussion groups around downtown development.

The commercial-service center of Auburn has seen significant new investment. In November, a new 73,000 square foot dual sheet ice arena was opened that replaces Ingersoll Arena. A private developer donated the land to the City and built the arena, which the City is leasing until such time they decide to purchase. This development has sparked new interest in the Mall area by many entities. The new arena opened November 15, 2013. Ingersoll Arena will be undergoing a repurposing and will become an indoor turf facility that can be used for various sports teams to practice in inclement weather.

Financial Management

The City is committed to ensuring sound financial management of the public's funds. This includes a five year Financial Plan, a five year Capital Improvement Plan, maintaining a sufficient fund balance, and adhering to the highest management standards. The City Council adopted a Fund Balance Policy in 2004 and updated it in 2011, to provide on-going guidance to elected officials to strengthen the fund balance. City employees perform their daily work with guidance from these plans and policies. The City met and exceeded its fund balance goal in fiscal year 2014.

Capital Improvements and Debt Service

The City maintains an ongoing five year Capital Improvement Plan (CIP) that serves as a tool for the Mayor and City Council to make strategic investments in the community. In fiscal year 2014, the Capital Improvement budget included \$2.935 million to fund street, sidewalk, infrastructure and drainage improvements; \$1.5 million to fund School Department capital projects and \$1.365 million for building improvements and equipment replacements. The City of Auburn maintains an "AA-" rating from Standard & Poor's and an Aa3 rating from Moody's for the City's general obligation debt.

Education

One of the hallmarks of a great community is an excellent public school system. Schools are one of several determining factors businesses and parents consider when deciding whether to locate in a city. With their vision of empowering life-long learners to succeed in a world yet imagined, the Auburn School Department works diligently to offer an educational program from Pre-K to grade 12 that ensures the success of every student and community learner. We have long been recognized for numerous individual and district-wide accomplishments.

Educational Excellence

Auburn School Department adopted Vision 2020 in 2010, which has been the document that leads the direction of the School Department. To support the implementation of Vision 2020, the department recognizes the importance of Customized Learning, as a foundational piece of the work. Customized Learning honors the principles that students learn in different ways and in different timeframes. It strives to create a system where students are receiving the instruction they are ready for and are held to proficiency on learning targets before moving to the next learning. At this point in time, all levels of the system are somewhere along the path to full implementation of customized learning.

Auburn's K-3, 7-8 and 9-12 students are provided with an iPad. The iPad is an essential tool for learning as it provides students the opportunity to practice skills, problem-solve, communicate ideas, be creative and much more. The use of technology is essential to our students developing 21st century knowledge and skills that will allow them to be successful in a world yet imagined.

Auburn's staff is provided ongoing customized professional development aimed at refining their implementation of a workshop model of instruction in literacy and math. This approach helps them best meet the needs of all students in their classrooms. It is important that our staff know how to use student data to inform their instruction and to make adjustments accordingly to meet the needs of all students. It is as important to provide interventions for students who are not proficient in meeting identified standards as it is to provide those students meeting proficiency levels with an opportunity to move forward in their learning.

This year, Auburn will be writing its strategic design to articulate measurable steps toward reaching Vision 2020 with community feedback. The strategic design document will be meant as a guide, which is flexible and responsive to needs of the District.

All the work at the various levels is showing great promise. As Auburn continues down the road toward a new educational system, community education and participation will be key. The District is making an intentional effort to keep the community well informed and to involve individual community members in a variety of ongoing efforts aimed to support the move to Customized Learning and our Vision 2020.

Leveraging Learning Institute

Auburn Schools hosted its third annual Leveraging Learning Institute November 13-15, 2013. Approximately 130 participants, mostly from across Maine, but also from North Carolina, New York, Pennsylvania, and Massachusetts, descended on the Hilton Garden Inn Riverwatch to explore lessons learned from Auburn's first-in-the-country iPads in primary grades initiative. Many of session were led by Auburn School Department's own teachers and administrators and included topics in four strands: Leadership and Professional Development; Curriculum, Instruction, and Assessment; Data and Research; and Technical Project Management. Featured speakers included Yellow Light Breen, Executive Vice President and Chief Strategic Officer at Bangor Savings Bank, and Dr. Bill Rankin, Director of Learning at Apple Inc.

School Building Infrastructure and Fleet Improvements

The School Department continued its work to improve the quality of the City's school facilities infrastructure. The facilities are property of the City and the School Department is steward and maintains the City facilities. The School Department's facilities have a total replacement value of \$95,030,315; thereby, the School Department's Capital Improvement needs for Fy14 were submitted for review and recommendation to the City Council at \$3,450,645, which represents 3.6% of capital asset values. The City Councilors approved and authorized \$1,500,000 in CIP Bond issuance for the School Department in their August 2013 Bond Issuance. This is a capital asset renewal of 1.5% of replacement value into school facilities infrastructure.

The School Department also submitted to the State Department of Education for the State Revolving Renovation Loan Program three Priority#1 projects that received approval and funding via Maine Municipal Bond Bank. The approved amount was \$384,760, of which 55% of the loan is forgiven and the remaining amount is repaid at 0% over 5 years.

The following projects were executed in Fy14 with final project acceptance by September 2014:

<u>Location</u>	<u>Project Description</u>
Edward Little High School	Asbestos Floor Tiles Replacement [Phase II] Library Carpet Replacement Boiler Conversion to Natural Gas Security Surveillance Equipment & Control Door Access Underground Oil Tank Removal Tennis Court Repair & Resurface-Phase II Visual & Performing Arts Equipment Security Access Card Photo/Printer
Franklin Alternative School	New Ventilation System Asbestos Removal – last phase
Walton School	New Shingled Roof New LED Parking Lot Lighting Control Door Access Underground Oil Tank Removal New Catch Basins, Parking Lot Paving and Striping New Exterior Security Lighting New Stage Curtains
Auburn Middle School	Skylight Replacements Drainage, Parking Lot Paving & Striping Underground Oil Tank Removal Security Surveillance Equipment & Control Door Access Cafeteria Windows Replacement
Fairview School	Asbestos Floor Tile Replacement [Phase III] Control Door Access Underground Oil Tank Removal Cafeteria Tables Replacement

Washburn School	Underground Oil Tank Removal
Park Avenue School	Control Door Access
Industry Ave	Replacement #2 fuel boilers to Natural Gas [Phase1] Replace old propane bus fueling system with upgrade w/increase fuel output

We continued to implement the Verification and Measurement of the final phase of our Performance Contract with Siemens Technology. The Year-5 Savings Report of 2014 is an important measure to solidify that the anticipated savings have been realized. The Verification and Measurement Year-4 Savings Report was conducted and analysis revealed that the Siemens guaranteed annual savings of \$221,057 was not only met, but in fact a savings of \$428,883 was realized. The savings is \$207,826 greater than originally projected. Approximately 35% of the annual savings can be attributed to our energy conversion to natural gas from #2 fuel on nine school facilities. The energy savings each fiscal year is used to reimburse Siemens Technology for the energy efficiency projects conducted five years ago. Siemens has guaranteed the savings; thus, if the savings are not realized, Siemens will reimburse the School Department the difference. The Annual Savings Reports will continue into the distant future to insure that savings are generated per agreement. Over the last five fiscal years, we have saved a total of \$1,560,516 in energy costs.

The School Department continues the replacement of older school buses, with the assistance of the State Department of Education Bus Purchase/Replacement program. We were fortunate to receive Fy13 DOE approval for the replacement in Fy14 budget of one new school bus, which replaces a 2001 International school bus with type C and regular 77-passenger. The DOE Bus Purchase/Replacement program requires that the school bus be eligible for replacement when they reach ten-years-old and have in excess of 125,000 miles. The DOE Bus Purchase/Replacement program schedule allows the Auburn School Department to maintain a bus fleet in conformance with the State DOE replacement guidelines and a fleet that this community can be proud of. The reimbursement from DOE is a direct allocation that is provided one year after the purchase; therefore, it behooves us to participate in the Bus Purchase/Replacement program and upgrade our bus fleet with State DOE funding assistance.

As we continue to explore alternative energy fuel, our Fy14 bus purchases included a propane-fired engine. These propane engines have better gas mileage and lower maintenance costs. The added cost to install a propane engine is \$7,200 per bus. After deducting the added cost of converting from diesel to propane, and taking into account the life expectancy of propane buses, we will generate a savings of \$42,800 per school bus, a projected annual savings of \$5,000 per school bus, at minimum, and representing a payback in 1.44 years. It is our intention to move the Auburn School Department bus fleet from diesel to propane over the course of 8 years, contingent of replacing two new buses each year; that is subject to State DOE approval. We currently have six school buses that operate on propane-fired engines. Aside from producing an annual savings, we are lessening our greenhouse gas emissions into the atmosphere.

School Messenger [Continuation from previous year]

Our grant collaboration with the Lewiston School Department has awarded a \$5 million dollar grant that is specific to School Safety. This five-year grant and last year of said grant continues to afford us the ability to submit competitive grants relative to School Safety. During Fy14, we were successful in submitting school security projects for Safe Schools grants that received awards for the implementation of School Messenger. Our School Messenger is a fully integrated software that affords Auburn School Department the ability to alert law enforcement officials, staff, and parents with emergency notifications. Alert notifications are transmitted via landlines, mobile phones, or email addresses and are also multi-dimensional; whereby information can be disseminated simultaneously using multiple mediums. The cost for 6 years of alert notification, software, licensing and training, is \$40,291. During the last year of Safe Schools grant, our School Messenger was acknowledged by Federal Grantee, as an important tool in alerting law enforcement officials, community and staff of pending emergencies, whereby we received an additional two years toward the alert notification, software, licensing and training. An overall value savings of \$20,145 for 5 years.

Grant Office

The Auburn School Department was awarded directly or through joint applications 44 grants in Fiscal Year 2013-14 for a total of \$631,697.

Federal	3
State of Maine	15
Foundation	25
Donation	1

Although the following grants do not have a monetary value attached to them, they have provided exceptional opportunities to our students and staff including:

- Erin Towns, Edward Little High School (ELHS), was awarded a Fulbright-Hays Summer Seminar Abroad Fellowship. Erin traveled throughout China for a month learning about Chinese history, the economy, society and art. She brought this knowledge to life for her students in the classroom.
- Challenge 20/20 is an Internet-based program sponsored by the National Association of Independent Schools which pairs classes from schools in the U.S. with their counterpart classes in schools from other countries; together, the teams (of two or three schools) find local solutions to one of 20 global problems. ELHS was assigned the global problem of global infectious diseases and partnered with schools in New Jersey and South Africa.
- A group of ELHS students and their teachers are participating in a grant received by UMO. The Engineering Innovative Solutions to Storm Water Problems Through Diverse Community Participation Project empowers female and minority high school students and their teachers and communities, to create innovative local solutions to a pervasive environmental problem: storm water. Students and a teacher attended a 5-day Summer Storm Water Institute at UMO. They are now working with the Auburn Water Department collecting data and water samples that are sent to UMO every other month for analysis. High school teachers will be trained in the area of storm water, sensor technology, environmental science, and data management. The project will provide permanent lab equipment to the high school, e.g. spectrophotometers and water quality sensor packages.

Several teachers throughout the District obtained funding for their projects through *DonorsChoose*, an on-line charity, which connects classrooms in need with prospective donors. Teachers received supplies, instruments, books, and materials. An example of one of the projects funded follows:

Students tutored their peers after school at Auburn Middle School. They used white boards to practice math facts and spelling words and demonstrate concepts.

Highlights of grants received during 2013-14 are:

After School Academic Support and Enrichment

21st Century Community Learning Centers

Auburn has one of the longest-running 21st Century Community Learning Center (CLC) programs in Maine. Continuously funded exclusively by grants and program revenues since 1999, CLC programs served 689 students in the 2013-14 school year and summer of 2013. Students in eight Auburn schools had the opportunity to extend their learning; develop new skills and interests; establish positive relationships with caring adults and their peers; and become involved in service to their school and community.

CLC Continuation Grant, Year 1

The first year of this three-year continuation grant award from Maine's Department of Education's 21st Century Community Learning Center program benefited students in grades 4-8, through after-school programs at Auburn Middle, Sherwood Heights, and Walton Schools. Students from Merrill Hill attended a tutoring extension of the AMS program. Eighty percent of the 322 students served were academically low performing, 66% were low-income students, 23% qualified for special services, and 7% were English Language Learners.

After school programs were maintained four days a week at Auburn Middle and Sherwood Heights Schools and three days a week at Walton School. School-day teachers and educational technicians staffed the program; thirteen community volunteers aided weekly or for special events, including six students from Bates College who tutored at the middle school and two high school students who helped with the LEGO Robotics program at the middle school. A variety of student-centered programming, including academic skill supplements, homework help, technology enrichment, wellness/recreation, arts, and community service was delivered at each site. At Sherwood Heights, students also received high-quality language and cultural enrichment through a partnership with the Maine French Heritage Language Program. Teachers reported consistent improvement in classroom performance and homework completion for a majority of participating students. Student surveys showed a high level of connection to adults in the program, increased levels of activity, and a sense of belonging—all-important developmental assets for the elementary and middle years.

CLC District Grant, Year 5

The fifth year of this five-year grant award from Maine's Department of Education benefited students in grades 3-6 at Park Avenue and Washburn Schools and grades 9-12 at Edward Little High School. Students from Franklin Alternative School accessed services at Edward Little. Seventy-eight percent of the 367 students served were academically low performing, 60% were low-income students, 19% qualified for special services, and 18% were English Language Learners. Programs at the elementary level focused on reading/literacy, math, arts, health/wellness and community service. High School students in grades 11 & 12 focused on meeting graduation requirements with ELPM, a credit recovery program. With the help of credit recovery, 60 students graduated between July 1, 2013 and June 30, 2014 and 175 academic half-credits were earned. EL Connect, a program serving students in grades 9 & 10, worked with students on study skills, aspirations, community building, credit recovery, and homework completion. Both high school programs focused on mentoring, raising student aspirations, and post-secondary planning, in addition to achieving academic success in high school.

While this grant ends this year, we wrote a successful application for continuation funding. The program will be funded for an additional three years, serving grades 3-6 at Park Avenue and Washburn Schools and grades 9-12 at Edward Little High School starting in July 2014.

After school programs at six Auburn Schools have each received a \$500 mini-grant from Healthy Androscoggin through the Let's Go! After School Enhancement Program. Auburn Middle, Edward Little High, Park Avenue, Sherwood, Walton and Washburn Schools received this funding to purchase equipment and supplies that promote healthy eating and active living. Programs are engaging students in helping to choose items for purchase in the fall of 2014 so that they will be well used after school for this coming year and beyond.

Prevention & Treatment Programs

The Student Intervention and Reintegration Program (SIRP) targets ELHS and Franklin Alternative at-risk youth between the ages of 15-18 who experiment with drugs and/or alcohol but do not qualify for treatment. The program's focus is to make healthy decisions and reduce risk for problems. SIRP has been funded by grants from the State of Maine Department of Human Services for five years. This year the district is working collaboratively with Healthy Androscoggin (HA) to implement the SIRP program as well as a community marijuana prevention program. The programs are funded through a federal grant from the Substance Abuse and Mental Health Services Administration (SAMHSA) and were awarded to HA.

College Access

The MELMAC Foundation awarded a multi-year grant, Connecting Aspirations to a Plan, to support college access at Edward Little High School. The grant aids ELHS in increasing their rate of post-secondary enrollment and broadens the range of post secondary experiences through one-on-one mentoring, college visits, and other initiatives.

FAME awarded a college access grant to provide services to at-risk students at ELHS and Franklin. A coordinator and mentors provided individualized support to students and their families, assisting with the college admission/financial aid processes, helping complete FAFSAs, coordinating small group or individual campus visits, and maintaining ongoing contact with students.

Literacy

An annual award from the L/A Fund allows students to integrate technology and art with writing by creating an original book in accordance with publication guidelines. The books are then judged and the winning entry is “published”. The entire program culminates with a book-signing event at the local library.

The Barbara Bush Foundation has funded the Teen Trendsetters Program which pairs teens at ELHS with 3rd grade students at Park Ave and Washburn that are about 6 months behind in reading. The teens are matched with their younger buddies and read to them at least one hour a week during the school year. Parents of the younger children agree to read to the child at home to reinforce skills. Younger children receive 15 take home books each year to encourage reading. In addition, the foundation provides curriculum, supplemental materials and professional development for teens and their advisors. The program typically sees about a year’s growth in elementary students skills.

Science Grants

The Maine Math & Science Alliance (MMSA) was awarded a three- year grant from the Maine Department of Education to work with 16 teachers in grades K-8 to integrate science, engineering and mathematics concepts and practices by engaging in design challenges. The district is participating in year two of the grant which provides professional development, access to online resources and experts in the engineering fields, networking with other schools sharing strategies and effective instructional approaches, and the development of exemplars of student work in engineering.

The American Chemical Society (ACS) funded Chemistry Through Agriculture to engage non-traditional students at ELHS in an in-depth study of hydroponics. Students will create and maintain a hydroponics system in the school’s greenhouse. Hydroponics is one of the fastest growing sectors of agriculture and is a cohesive pairing of chemistry and real world application.

Ninety students at EL will participate in living classroom experiences, which will provide them with a solid foundation in sustainable agriculture practices and gain an awareness of career/jobs in the agriculture field. Students will leave the traditional classroom often and demonstrate mastery of chemical standards through hands-on activities at the Auburn Land Lab, in the EL greenhouse, at the EL orchard and at local farms. Maine Agriculture In the Classroom funded the grant.

The Lewiston Auburn Children’s Foundation funded the Garden Buddies program. ELHS students helped younger students at Park Avenue to plan and design a garden, plant the garden and teach the students about the importance of agriculture and growing their own food.

Auburn Middle School (AMS) expanded their gardens and added more beds as well as a pallet garden for strawberries. A special education teacher and two science teachers headed the garden project. Some of the topics covered included; soil testing, sustainable agriculture, container gardening, carbon cycles, ecosystems and acid rain. Kitchen Gardeners International supported the project through its Sow It Forward grant.

Field Experiences

The Maine Arts Commission funded several field experiences for students through its Ticket to Ride grants.

- Two fourth grade social study classes at Walton went to the Maine State Museum. The trip brought history to life for these learners as they made arrowheads and relief rubbings as people did many years ago.
- Two teachers at Walton School took their classes to Old Fort Western. They participated in the educational program: 300 Years of Maine History: 1698-1919. Hands-on learning occurred at various locations at the site, including the dock, trading post, store, fort, and house

- The 2nd and 3rd grade team at Walton School went to the Public Theater to see a live puppet theatre performance of “The Princess and the Pea”.
- ELL students at the high school went to the Telling Room to write their stories in a memoir that was put into a book and a blog.
- Team Bradbury at AMS went to Bates Olin Arts Center as part of the 1000 Word Project.
- Students at AMS also visited the Bates College Museum of Art

The Maine Engineering Promotional Council funded a trip to the 2014 Engineering Expo at Orono. Students at Park Ave attended and participated in hands-on learning activities. Students at AMS visited the Challenger Learning Center where they participated in simulated space missions, observed the orbit of a comet and problem solved to identify space matter. The trip was funded through a grant from Wal-Mart.

Health and Physical Fitness Grants

A multi-year grant awarded to Community Clinical Services from the Maine Department of Health and Human Services and support from St. Mary's Regional Medical Center provides primary care, preventive dental services, and mental health services to students at ELHS and AMS at our School-based Health Centers. The school-based health centers focus on promoting healthy lifestyles and indentifying illness early to help prevent more serious illness later on.

Through the State of Maine's “Fresh Fruits and Vegetables” grant program, Park Avenue, Washburn, Sherwood Heights and Walton Schools received fresh produce for its students. This program provides daily healthy snacks to students, giving them the necessary vitamins and minerals, which they need to maximize their learning.

A weight room at AMS was created where students feel comfortable, motivated, and exercise so they learn proper form at a young age. The key is to get students engaged in enjoyable activities, get their bodies moving and teach them activities they can participate in for the rest of their lives. The grant was funded by Lowe's Toolbox for Education Fund.

Walton's Discovery Spaces will be an engaging natural outdoor learning and recreation site that challenges and stimulates children while teaching them about the natural world. The site is designed around a river theme and includes areas such as “Rainbow Rapids”, “Reading Island” and the “SS Walton” (a wooden boat-shape structure). There are play spaces to climb on and areas to engage in dramatic play and create language rich experiences. Discovery Spaces is funded through a Community Development Block Grant.

AMS students will set goals around their heart rates, record on a chart and regularly assess how they are doing. Students are able to measure if they are performing to their best ability and can work to improve their heart rate. The Lewiston and Auburn Children's Foundation awarded a grant to fund this project.

Other Grant /Awards

The Lewiston and Auburn Children's Foundation provided funds for the following:

- an iPad for support staff in the Guidance Office at ELHS to communicate with students, parents, and colleges
- a portable amplification system in a classroom at Sherwood Heights enabled students with auditory disorders to hear clearly and consistently and enhance their ability to hear instruction and learn.
- a camera to take photos of sporting events, activities, dances and award ceremonies for the AMS year book
- an introductory welding course at New England School of Metalworks for at-risk students at ELHS
- a bridge at AMS so students can access their outdoor classroom more easily

The Wal-Mart Foundation upgraded/replaced kitchen equipment at RETC/SOS in order for Deali's (a student run business that provides lunches to staff throughout the district and City Hall) to operate more efficiently.

Private donor funds enabled the Music Department at AMS to purchase a cello.

Looking Ahead: Fiscal Year 2015 Goals

The City of Auburn worked with the City of Lewiston and the Lewiston Auburn Economic Growth Council (LAEGC) to redefine what services both cities wanted to receive and the future direction they wanted for LAEGC. A new director has been hired to run LAEGC and implement the plan that was drafted by the joint City Councils. Auburn will continue to work on downtown redevelopment, marketing the new industrial park and the mall area.

The City Manager and Department Directors will continue working to improve the Capital Improvement Program, by providing a ten-year projection of needed improvements with greater detail on projects to help the City Council set priorities. The City Manager and Finance Director will be working with the City's financial advisor on a Debt Management Policy.

The City Manager and staff will be working to improve the budgeting process by relating budget objectives to the goals of the City Council and continuing to improve the program, performance based budgeting that was begun with the Fy15 budget process.

Financial Information

The City's Financial Services Department is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure being used is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs of control procedures are weighed against the expected benefits to be derived, and that the evaluation of costs and benefits requires educated estimates and professional judgments by management. All of the City's internal accounting control evaluations occur within this framework.

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the finance department staff of the City.

The City adopts fiscal year budgets that are established in accordance with the various laws that govern the City's operations as authorized by the Council. The budget is divided into monthly budget allocations based on expenditure expectations and on historical trends, whenever possible. These allocations are reviewed monthly against actual expenditures, and variances are addressed in the financial report presented each month to the Council. At mid-year, unless conditions dictate an earlier need, budgets are reviewed; year-end projections made, and adjustments to the financial plan considered and any necessary changes are legally adopted through the passage of an appropriation and revenue resolve.

Other Information

Independent Audit

State Statute and the City Charter require an annual audit of all financial records by independent certified public accountants. The audit of fiscal year 2014 was performed for the City Council by the firm of Runyon Kersteen Ouellette, PA, a firm of licensed Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Auburn, for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluation of the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Auburn's financial statements for the fiscal year ending June 30, 2014, are fairly presented in conformity with accounting principles generally accepted in the United States of America.

The independent auditor's report is presented as the first component of the financial section of this report. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984 and the related U.S. Office of Management and Budget's Circular A-133. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditors' reports on internal controls and compliance with applicable laws and regulations can be found in a separately issued single audit report.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the year ended June 30, 2013. This was the twenty first consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

This report is the result of many hours of dedicated work by Gina Klemanski, Jill Cunningham and Nancy Bosse in the Financial Services Department. I am also pleased to acknowledge the services and assistance of independent auditors, Runyon Kersteen Ouellette, in the preparation and production of this report.

Sincerely,

A handwritten signature in black ink that reads "Jill M Eastman". The signature is written in a cursive, flowing style.

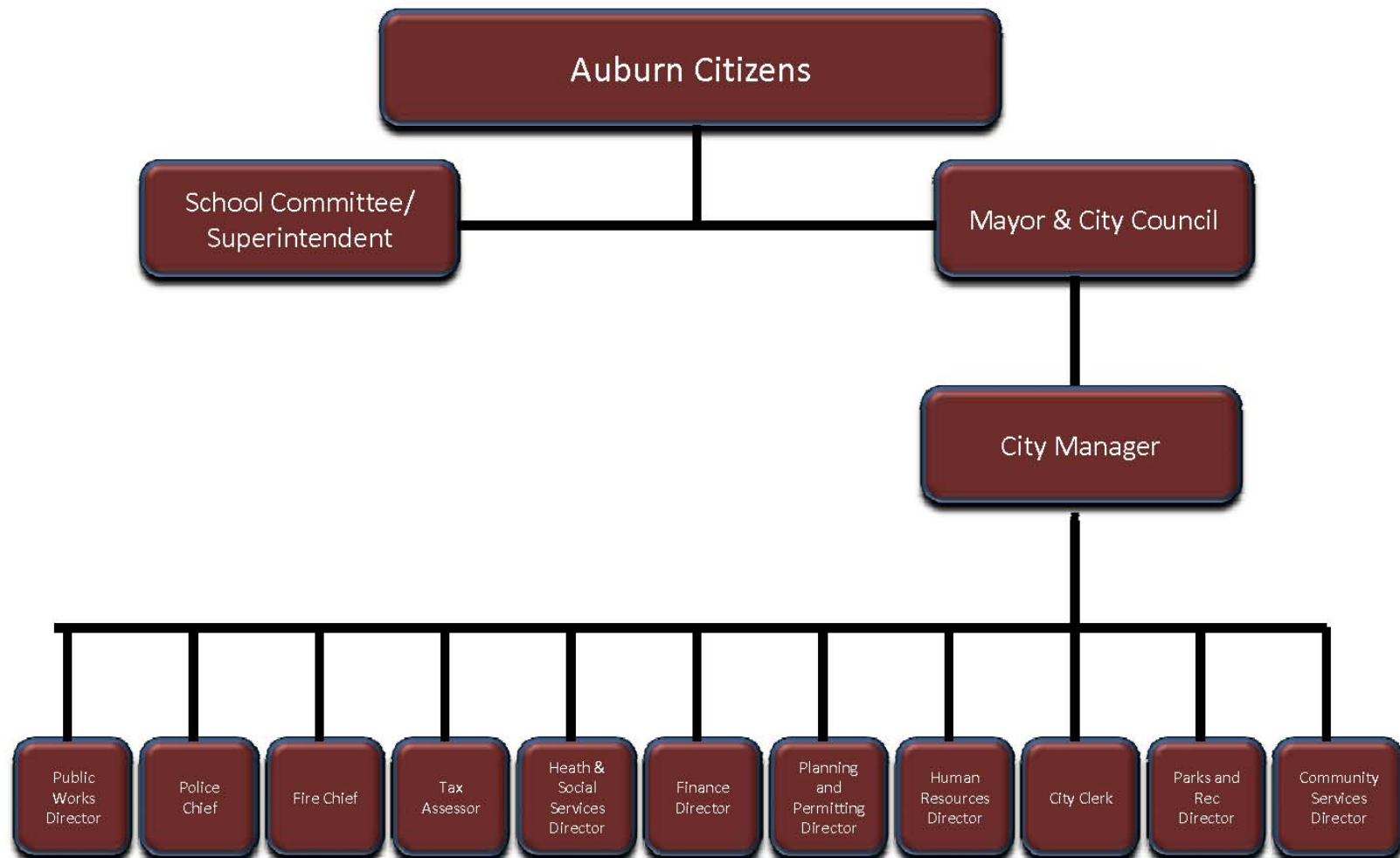
Jill M Eastman
Finance Director

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ORGANIZATIONAL CHART

2014

City of Auburn



CITY OF AUBURN, MAINE

LIST OF ELECTED AND APPOINTED OFFICIALS

June 30, 2014

Elected Officials

Mayor	Jonathan P. Labonte
Council Member – Ward 1	Tizz E. Crowley
Council Member – Ward 2	Robert P. Hayes
Council Member – Ward 3	Mary Kozicki Lafontaine
Council Member – Ward 4	Adam Lee
Council Member – Ward 5	Leroy G. Walker
Council Member – At Large	Belinda Gerry
Council Member – At Large	David C. Young
School Committee – Chair, Ward 4	Tracey Levesque
School Committee – Vice Chair, Ward 5	Larry Pelletier
School Committee – Ward 1	Vacant
School Committee – Ward 2	Bonnie J. Hayes
School Committee – Ward 3	Thomas Kendall
School Committee – At Large	Ron Potvin
School Committee – At Large	Laurie Tannenbaum
School Committee – Mayor's Representative	Mary LaFontaine

Appointed Officials

City Manager	Clinton E. Deschene
Finance Director	Jill M. Eastman
School Superintendent	Katherine Grondin
School Business Manager	Jude Cyr
City Clerk	Susan Clements-Dallaire
Tax Collector	Nancy Bosse
Assessor	Karen Scammon
Fire Chief	Frank Roma
Human Resources Director	Deborah Grimmig
Police Chief	Phil Crowell
Public Works Director	Denis D'Auteuil
Parks & Recreation Director	Ravi Sharma
Health & Social Services Director	Dorothy Meagher

FINANCIAL SECTION

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Report of Independent Auditors

City Council
City of Auburn, Maine:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Auburn, Maine as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Auburn, Maine, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress of city pension plan and retiree healthcare plan as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Auburn, Maine's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

City Council
City of Auburn, Maine

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2014, on our consideration of the City of Auburn, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Auburn, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Remya Hudson Ouellette". The signature is written in a cursive, flowing style.

November 24, 2014
South Portland, Maine

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Management's Discussion and Analysis

Fiscal Year Ended June 30, 2014

As management of the City of Auburn, Maine, we offer this narrative overview and analysis of the financial activities of the City of Auburn, Maine for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal to this report.

Financial Highlights

- The assets of the City of Auburn exceeded its liabilities at the close of the most recent fiscal year by \$84,522,677 (*net position*).
- The City of Auburn's total net position decreased by \$1,156,491. This decrease is a direct result of: \$6 million reduction in cash and cash equivalents; \$1 million reduction in receivables offset by a \$7.7 million investment in infrastructure and equipment. Although most of the capital investment was funded with general obligation bonds, repayments more than offset new proceeds, which resulted in a decrease in overall indebtedness by \$2.7 million.
- As of the end of the current fiscal year, the City of Auburn's governmental funds reported combined ending fund balances of \$23,993,400, a decrease of \$4,669,566 in comparison with the prior year.
- At the end of the current fiscal year, total assigned and unassigned fund balance for the General Fund was \$9,464,102, or 13.6% of total General Fund expenditures (on a budgetary basis).
- The City of Auburn issued bonds totaling \$5,625,000 for its Capital Improvement Plan during the current fiscal year. The new issue included \$3.565 million to fund street, sidewalk, infrastructure and drainage improvements; \$1.455 million to fund School Department facilities and \$605 thousand for building improvements and equipment replacements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Auburn's basic financial statements. The City of Auburn's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Auburn's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Auburn's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Auburn that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government; public safety; health, welfare and recreation; public works, including highways, streets, and solid waste disposal; other agencies; education; and interest on debt. The City has three business-type activities, the Ingersoll Ice Arena, the Norway Savings Bank Ice Arena and Centralized School Lunch. The government-wide financial statements can be found on pages 35-36 of this report.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Auburn, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Auburn maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Community Development Programs, Tax Increment Financing, and the Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Auburn adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 37-42 of this report.

Proprietary funds

The City of Auburn maintains one type of proprietary fund. The *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Auburn uses the enterprise fund to account for its operations of Ingersoll Ice Arena, Norway Savings Bank Ice Arena and Centralized School Lunch.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 43-45 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Auburn's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 46-47 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 48-76 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Auburn's progress in funding its obligation to provide pension and retiree healthcare benefits to its employees. Required supplementary information can be found on page 77 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. The combining and individual fund statements and schedules can be found on pages 81-89 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Auburn, assets exceeded liabilities by \$84,522,677 at the close of the most recent fiscal year.

City of Auburn's Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 29,866,066	\$ 33,702,153	\$ 600,770	\$ 634,699	\$ 30,466,836	\$ 34,336,852
Capital assets	121,890,406	120,832,594	548,461	708,368	122,438,867	121,540,962
Total assets	\$ 151,756,472	\$ 154,534,747	\$ 1,149,231	\$ 1,343,067	\$ 152,905,703	\$ 155,877,814
Long-term liabilities outstanding	54,903,540	57,731,633	-	-	54,903,540	57,731,633
Other liabilities	13,454,614	12,460,513	24,872	6,500	13,479,486	12,467,013
Total liabilities	\$ 68,358,154	\$ 70,192,146	\$ 24,872	\$ 6,500	\$ 68,383,026	\$ 70,198,646
Net investment in capital assets	67,831,558	61,542,514	548,461	708,368	68,380,019	62,250,882
Restricted	11,793,625	11,871,042	-	34,042	11,793,625	11,905,084
Unrestricted	3,773,135	10,929,045	575,898	594,157	4,349,033	11,523,202
Total net position	\$ 83,398,318	\$ 84,342,601	\$ 1,124,359	\$ 1,336,567	\$ 84,522,677	\$ 85,679,168

By far, the largest portion of the City of Auburn's net position (80.9% or \$68,380,019) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City has made a conscious effort to continue its investments in long-term infrastructure improvements such as storm water separation, roadways, traffic improvements, sidewalks, facilities, and large equipment. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Auburn's net position (13.95%) represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted *net position* is \$4,349,033.

At the end of the current fiscal year, the City of Auburn is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

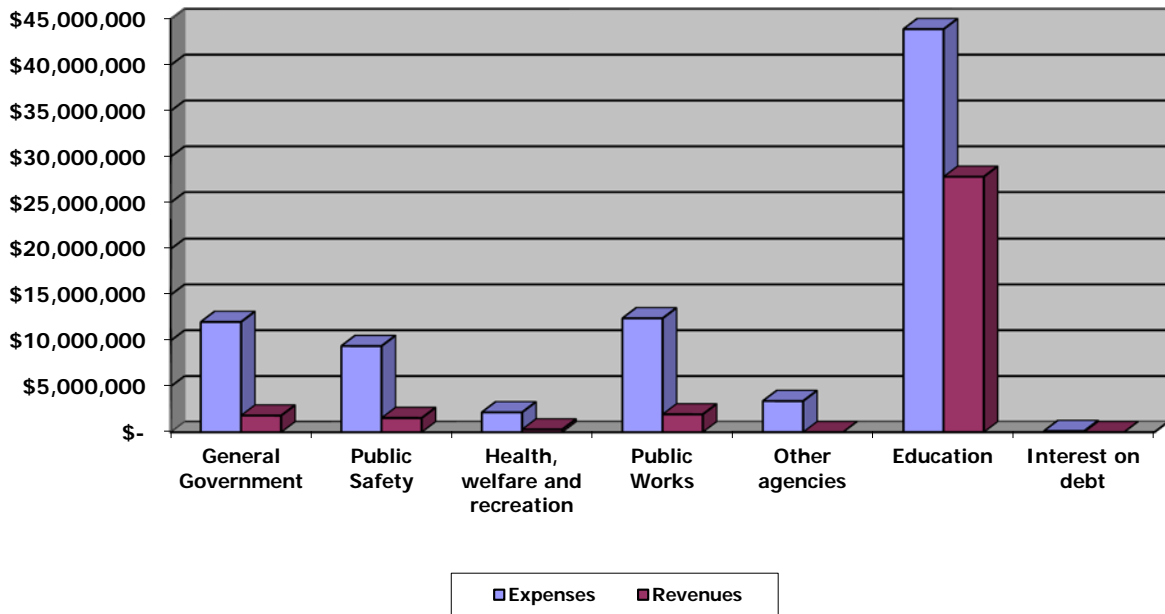
City of Auburn's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 2,070,803	\$ 2,128,112	\$ 1,139,096	\$ 669,015	\$ 3,209,899	\$ 2,797,127
Operating grants and contributions	31,349,557	29,939,559	1,090,354	1,159,343	32,439,911	31,098,902
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property and other taxes	44,522,766	42,759,291	-	-	44,522,766	42,759,291
Grants and contributions not restricted to specific programs	4,336,314	4,330,113	-	-	4,336,314	4,330,113
Other	251,275	183,383	1,176	757	252,451	184,140
Total revenues	\$ 82,530,715	\$ 79,340,458	\$ 2,230,626	\$ 1,829,115	\$ 84,761,341	\$ 81,169,573
Expenses:						
General government	12,031,662	13,391,002	-	-	12,031,662	13,391,002
Public safety	9,404,183	8,468,689	-	-	9,404,183	8,468,689
Health, welfare and recreation	2,172,119	2,266,012	-	-	2,172,119	2,266,012
Public works	12,427,048	8,086,620	-	-	12,427,048	8,086,620
Other agencies	3,400,687	3,560,926	-	-	3,400,687	3,560,926
Education	43,917,231	41,810,979	-	-	43,917,231	41,810,979
Interest on debt	122,068	2,418,356	-	-	122,068	2,418,356
Ingersoll Ice Arena	-	-	604,369	490,593	604,369	490,593
Norway Savings Bank Arena	-	-	525,814	-	525,814	-
Centralized School Lunch	-	-	1,312,651	1,421,308	1,312,651	1,421,308
Total Expenses	\$ 83,474,998	\$ 80,002,584	\$ 2,442,834	\$ 1,911,901	\$ 85,917,832	\$ 81,914,485
Transfer in (out)	-	13,275	-	(13,275)	-	-
Change in net position	(944,283)	(648,851)	(212,208)	(96,061)	(1,156,491)	(744,912)
Net position-July 1	84,342,601	84,991,452	1,336,567	1,432,628	85,679,168	86,424,080
Net position - June 30	\$ 83,398,318	\$ 84,342,601	\$ 1,124,359	\$ 1,336,567	\$ 84,522,677	\$ 85,679,168

Governmental Activities

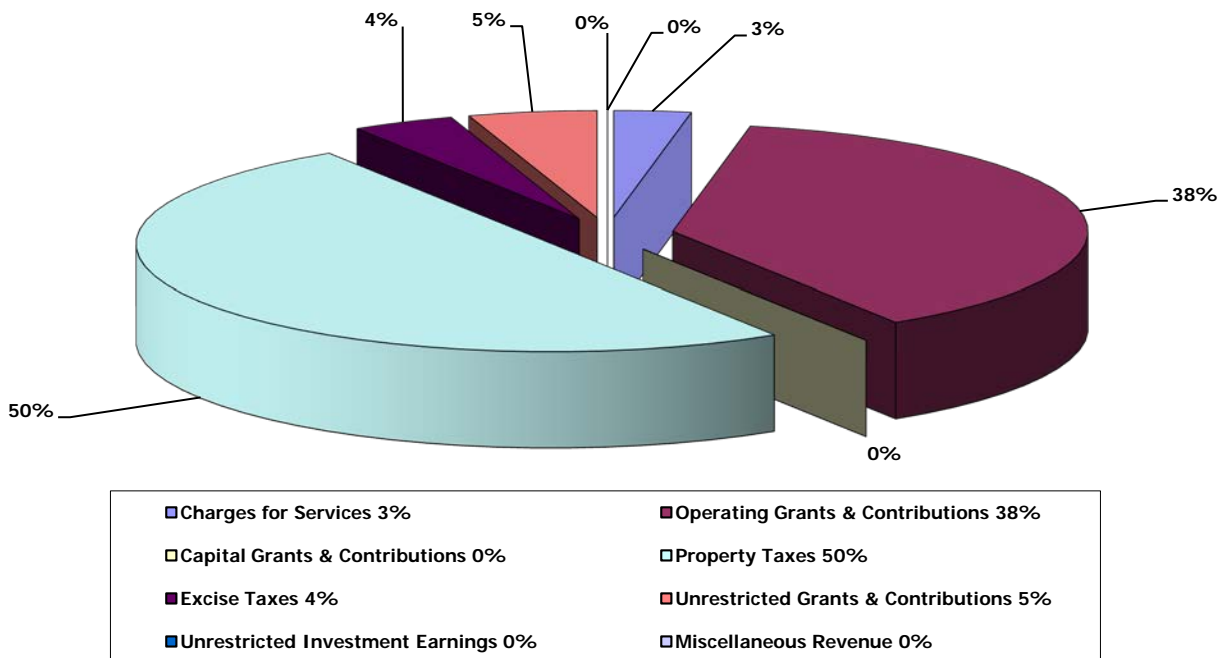
Governmental activities decreased the City of Auburn's net position by \$944,283, thereby accounting for 81.65% of the total reduction in the City's net position. Unclassified expenses have been reclassified in general government. Key elements of this decrease are as follows:

- Charges for services decreased by \$57,309 (2.7%). The decrease was attributed less fees collected and a decline in education's tuitions.
- Operating grants and contributions increased by \$1,409,998 (4.71%) due to a reduction in Community Development Block Grant Funding and an increase in Education Grants.
- Total expenses increased by \$3,472,414 (4.3%) with the bulk of the increase attributable to an increase in public works (\$4,340,428).

Expenses and Program Revenues - Governmental Activities For the Year Ending June 30, 2014



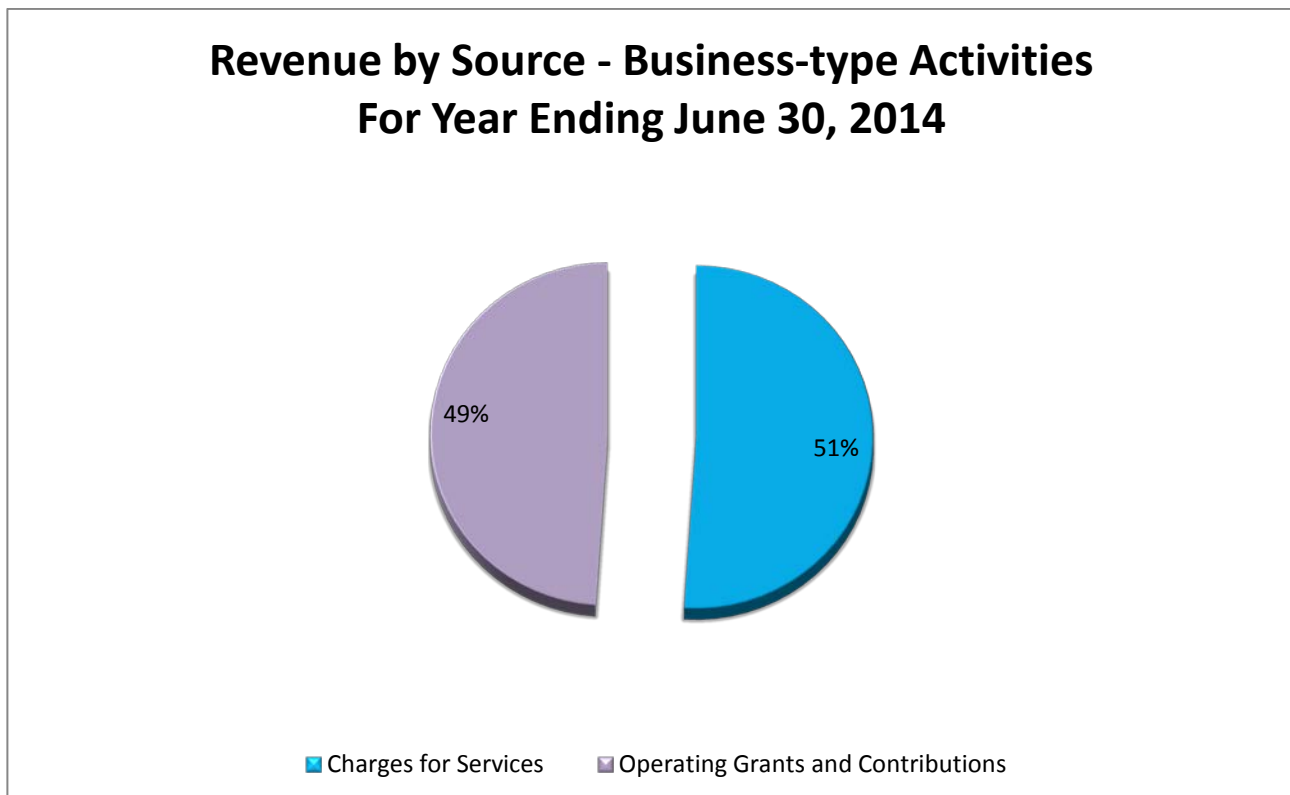
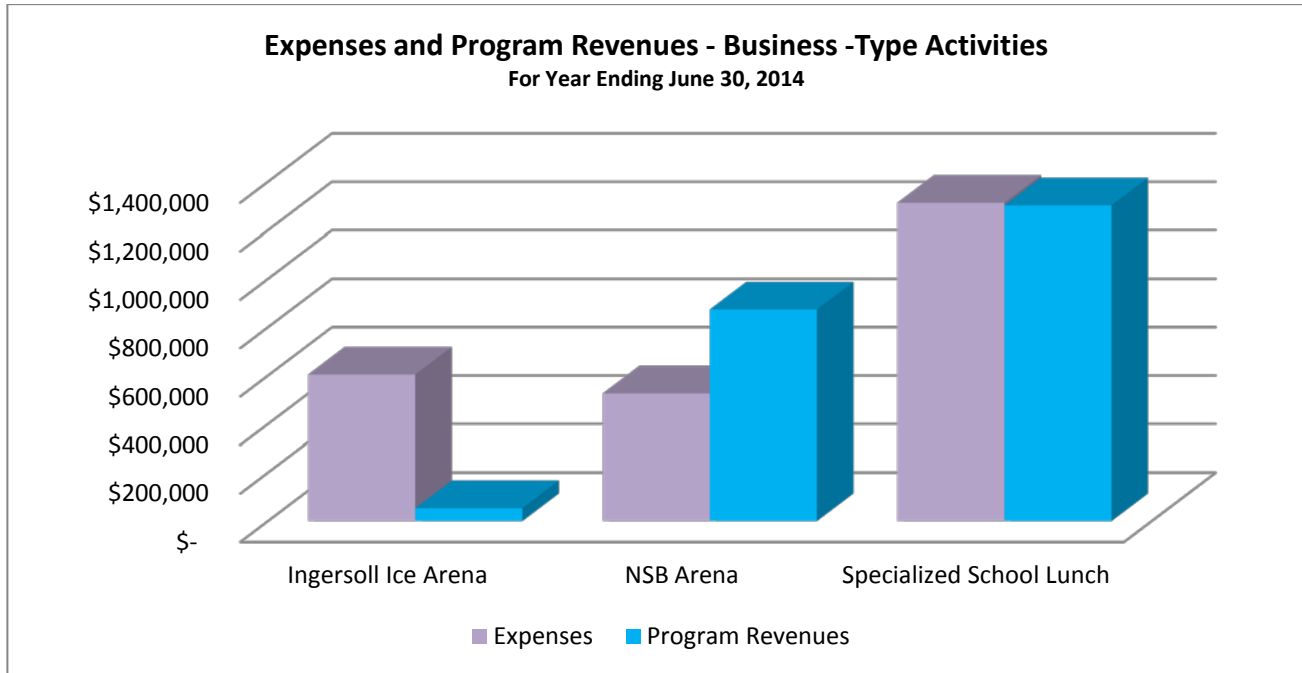
Revenues by Source - Governmental Activities For the Year Ended June 30, 2014



Business-type Activities

The City's three business-type activities, its Ingersoll Ice Arena, Norway Savings Bank Arena and Centralized School Lunch, decreased the City of Auburn's net position by \$212,208.

Revenues for business-type activities increased by \$401,511 or 22.00%. The Norway Savings Bank Arena was new this year and will replace Ingersoll Arena. Ingersoll Arena will be repurposed as an indoor turf facility during FY15.



Financial Analysis of the Government's Funds

As noted earlier, the City of Auburn uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City of Auburn's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Auburn's governmental funds reported combined ending fund balances of \$23,993,400, a decrease of \$4,669,566, in comparison with the prior year. This total consists of: General Fund \$12,063,359; Community Development Programs Funds, \$4,355,077; Tax Increment Financing, \$752,441; Capital Projects Fund, \$5,400,034 and Other Governmental Funds, \$1,422,489. These fund balances are intended, and in some cases restricted, committed or assigned, for specific purposes.

The General Fund is the chief operating fund of the City of Auburn. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8,651,216. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund budget. Unassigned fund balance represents 12.39% of the total General Fund expenditures (on a budgetary basis) at June 30, 2014. The City Council adopted a Fund Balance Policy in June, 2011 establishing a goal of having a General Fund unassigned fund balance equal to 12.5% of the City's municipal and school budgets. Rating agencies look favorably upon the establishment of fund balance policies by communities, which signifies the recognition that a healthy fund balance is imperative to the good financial standing of the community.

The Community Development Program Fund fund balance decreased by \$141,330. The decrease was due to the timing of drawdowns and the reduction of grants receivable.

The Tax Increment Financing Fund fund balance decreased by \$828,057 due to an increase in capital improvement expenditures for infrastructure improvements.

The Capital Projects Fund fund balance decreased by \$2,247,566 primarily due to bond proceeds that were received during FY 2013 and spent during FY 2014.

Proprietary Funds

The City of Auburn's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the City's proprietary funds, which include Ingersoll Ice Arena, Norway Savings Bank Arena and the Centralized School Lunch Program, amounted to \$575,898. The total decrease in net position was \$212,208.

General Fund Budgetary Highlights

There were no supplemental appropriations for the fiscal year ending June 30, 2014. Carry forward amounts from June 30, 2014 are reflected in the final budget in statement 6.

For the current fiscal year, the total revenue was above budgetary projections and the total expenditures were below budgetary projections. During the current fiscal year, the fund balance of the City of Auburn's General Fund decreased by \$316,383. Contributing factors to this decrease included:

- Motor vehicle excise taxes were above budgetary projections by \$326,082.
- Property taxes were above budgetary projections by \$246,701, due to an increased collection of prior year taxes
- State Revenue Sharing was above budgetary projections by \$34,374.
- Budgeted use of fund balance, to bring the total fund balance into compliance with the City's Fund Balance Policy.

Capital Asset and Debt Administration

Capital Assets

The City of Auburn's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounts to \$122,438,867 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, vehicles and infrastructure. The total increase in the City of Auburn's investment in capital assets for the current fiscal year was 0.7 percent. For more detail, refer to Capital Assets in the Detail Notes for All Funds on Pages 57-58.

City of Auburn's Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 7,489,841	\$ 7,489,841	\$ -	\$ -	\$ 7,489,841	\$ 7,489,841
Buildings and improvements	41,951,234	43,347,568	252,578	240,877	42,203,812	43,588,445
Equipment	1,319,943	1,221,155	291,264	458,914	1,611,207	1,680,069
Infrastructure	62,159,600	60,031,347	-	-	62,159,600	60,031,347
Construction in progress	5,536,128	5,041,731	-	-	5,536,128	5,041,731
Vehicles	3,433,660	3,700,952	4,619	8,577	3,438,279	3,709,529
Total	\$ 121,890,406	\$ 120,832,594	\$ 548,461	\$ 708,368	\$ 122,438,867	\$ 121,540,962

Major capital asset events during the current fiscal year included the following:

- A variety of street and sidewalk maintenance and construction projects throughout the City were undertaken during the year, including paving and reclamation totaling \$4,818,102; completion of South Main St. reconstruction totaling \$884,922; Helm Bridge project totaling \$291,084; various road reconstruction projects totaling \$878,889 for overall project expenditures of \$6,671,367 at fiscal year end.
- The Education Department funded building improvements in the following schools: Industry Ave Maintenance Garage (boiler conversion) totaling \$22,602; Edward Little High School (flooring and greenhouse construction) totaling \$20,365; Walton (new roof) totaling \$86,105; and Auburn Middle School (HVAC replacement) totaling \$1,242,380.
- Police department purchased two Ford Explorers at a total cost of \$48,870;
- Public Works heating system was replaced and converted to natural gas at a total cost of \$204,349.
- Parks and recreation replaced the heating system at Hasty Memorial Armory at the total cost of \$68,513.
- Fire department replaced a boiler and converted to natural gas for a total cost of \$71,758.

Long-term Debt

At the end of the current fiscal year, the City of Auburn had total general obligation bonded debt outstanding of \$56,826,591. The City's entire debt is backed by the full faith and credit of the City. For more detail, refer to Long-term Debt in the Detail Notes for All Funds on pages 61-62.

City of Auburn's Outstanding Debt			
General Obligation Bonds			
Governmental Activities		Business-type Activities	
2014	2013	2014	2013
\$ 56,826,591	59,534,323	-	-

During the current fiscal year, the City of Auburn's total bonded debt decreased by \$2,707,732. The City issued general obligation bonds totaling \$5,625,000 for the annual capital improvement program for the City, and School Department.

The City of Auburn maintained an "Aa3" rating from Moody's on October 31, 2013 and received an "AA-" rating from Standard & Poor's for its general obligation debt. Please refer to the agencies reports for a comprehensive explanation of its rating assessment.

State statutes limit the amount of general obligation debt a municipality may issue to 15 percent of its total state assessed valuation. The current debt limitation for the City of Auburn is \$288,930,000 that is significantly in excess of the City of Auburn's outstanding general obligation debt.

Next Year's Goals, the Economic Climate, and the Budget and Tax Rates

The City of Auburn has made great progress over the last year. The most notable progress exhibited through Staff's efforts to incorporate performance measurement in the budget. Performance measurement is a process that will utilize goals and benchmarks for budgeting. The process to implement can be time consuming and it is best if the approach and expectations are tied to a multi-year implementation. This is a learning process for staff, residents, and elected officials. Building understanding will allow for more support and value in the benefits.

The evolution of goals and initiatives continues. Learning that annual tasks or outcomes need to link to the overall goal or vision of the City is a process that will also take time. Using performance measurement will allow the City to determine its success. The struggle remains in a vision and unified voice by the Council. These proactive measures to make Auburn successful for the long-term are always connected to annual taxes. Understanding that the tax commitment of the City is the determining factor of higher and lower taxes will provide consistency to yearly budgets.

Moving forward, it appears that more forecasting for three, five, or ten years will allow a strategy to develop to meet our goals. The current budget adopted did a lot to look back at what had occurred over the last 25 years. As said by George Santayana, "Those who cannot remember the past are condemned to repeat it." With high turnover in management and staff the 2014 – 2015 worked at defining data from our past to measure growth moving forward.

The goal for this year in developing a budget is to add the most recent year to the historical data and also report out the success and failures of the performance measures. As a City, we need to improve setting our goals and measures to determine success, but we also must begin the understanding of learning from our decisions by measuring the outcomes and adapting to increase results and become more efficient in services.

Economic Factors

The volatility of State Revenue Sharing and Aid to Education continues as it has for many years. Whether the City is viewed as a non-for-profit or a business, the unpredictable nature of the two largest revenue sources other than taxes is a concern. It is becoming necessary to consider the possibility that State Revenue Sharing may never return and eventually even be eliminated. Auburn and other large service centers must advocate at the State level that if our cities are not supported, our State will fail. Cities are built to create jobs and support them. Whether it is fire, police, roads, water, sewer, etc. the towns and cities of Maine must unite to support a greater, larger, State economy. Any model that leaves cities or towns out will fail. If all Revenue Sharing is lost and no changes are made to the system, Auburn will suffer from significant cuts and increases to local taxes.

The positive side of the loss in revenue is that Auburn has a long history of economic development that is beginning to reemerge from the recent recession. HARTT transportation is investing in the Kittyhawk Park to open a new facility with other lots available for development. Hobby Lobby is opening on a lot adjacent to Kohl's. Mechanic's Savings Bank has plans for a new facility on their current property on Minot Avenue. These 3 projects alone signal the resurgence of development for Auburn.

The Budget and Tax Rates

The City is growing more aware of the cost of taxes regardless of the mil rate. Recent steps to reduce staff and lower costs had an adverse impact on sustaining growth. Last year the Council reinstated staff reductions to return capacity to staff to grow the economy. As a result all external services are being reviewed for productivity and prioritization. The City has an objective to maximize the value of dollars being spent by reorganizing the duties of staff and agencies so that all priorities of the City are carried out to maximize the growth of the City and region.

Requests for Information

This financial report is designed to provide a general overview of the City of Auburn's financial condition for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director or City Manager, 60 Court Street, Auburn, Maine.

BASIC FINANCIAL STATEMENTS

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CITY OF AUBURN, MAINE
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,002,941	406,895	5,409,836
Investments	14,094,606	-	14,094,606
Receivables:			
Accounts, net of allowance	1,020,296	14,521	1,034,817
Intergovernmental	1,590,131	49,447	1,639,578
Taxes	2,064,263	-	2,064,263
Loans, net of allowance	5,990,632	-	5,990,632
Internal balances	(95,049)	95,049	-
Prepaid expenses	198,246	-	198,246
Inventories	-	34,858	34,858
Capital assets, not being depreciated	13,025,969	-	13,025,969
Capital assets, being depreciated, net	108,864,437	548,461	109,412,898
Total assets	151,756,472	1,149,231	152,905,703
LIABILITIES			
Accounts payable and other current liabilities	1,579,589	18,394	1,597,983
Accrued payroll and benefits payable	2,500,781	6,478	2,507,259
Noncurrent liabilities:			
Due within one year	9,374,244	-	9,374,244
Due in more than one year	54,903,540	-	54,903,540
Total liabilities	68,358,154	24,872	68,383,026
NET POSITION			
Net investment in capital assets	67,831,558	548,461	68,380,019
Restricted for:			
Nonexpendable:			
Long-term receivables	1,520,404	-	1,520,404
Principal	69,475	-	69,475
Tax Increment Financing districts	2,341,428	-	2,341,428
Other purposes:			
City Services	742,485	-	742,485
Education	2,571,512	-	2,571,512
Community Development Programs	4,355,077	-	4,355,077
Permanent Funds	193,244	-	193,244
Unrestricted	3,773,135	575,898	4,349,033
Total net position	\$ 83,398,318	1,124,359	84,522,677

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Statement of Activities
For the Year Ended June 30, 2014

Program Revenues					Net (expense) revenue and changes in net position			
Functions/programs	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government			
					Governmental activities	Business-type activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 12,031,662	456,624	1,357,852	-	(10,217,186)	-	(10,217,186)	
Public safety	9,404,183	920,429	626,624	-	(7,857,130)	-	(7,857,130)	
Health, welfare and recreation	2,172,119	279,854	22,884	-	(1,869,381)	-	(1,869,381)	
Public works	12,427,048	1,549	1,946,233	-	(10,479,266)	-	(10,479,266)	
Other agencies	3,400,687	-	-	-	(3,400,687)	-	(3,400,687)	
Education	43,917,231	412,347	27,395,964	-	(16,108,920)	-	(16,108,920)	
Interest on debt	122,068	-	-	-	(122,068)	-	(122,068)	
Total governmental activities	83,474,998	2,070,803	31,349,557	-	(50,054,638)	-	(50,054,638)	
Business-type activities:								
Ingersoll Ice Arena	604,369	53,511	-	-	-	(550,858)	(550,858)	
Norway Savings Bank Ice Arena	525,814	873,741	-	-	-	347,927	347,927	
Centralized School Lunch	1,312,651	211,844	1,090,354	-	-	(10,453)	(10,453)	
Total business-type activities	2,442,834	1,139,096	1,090,354	-	-	(213,384)	(213,384)	
Total primary government	\$ 85,917,832	3,209,899	32,439,911	-	(50,054,638)	(213,384)	(50,268,022)	
General revenues, unrestricted:								
Property taxes, levied for general purposes					40,997,787	-	40,997,787	
Motor vehicle excise taxes					3,394,582	-	3,394,582	
Interest on delinquent taxes					130,397	-	130,397	
Grants and contributions not restricted to specific programs:								
State Revenue Sharing					1,683,844	-	1,683,844	
Homestead and BETE exemptions					1,981,614	-	1,981,614	
Other State aid					670,856	-	670,856	
Unrestricted investment earnings					2,829	1,176	4,005	
Miscellaneous revenues					248,446	-	248,446	
Total general revenues					49,110,355	1,176	49,111,531	
Change in net position					(944,283)	(212,208)	(1,156,491)	
Net position, beginning of year					84,342,601	1,336,567	85,679,168	
Net position, end of year					\$ 83,398,318	1,124,359	84,522,677	

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Balance Sheet
Governmental Funds
June 30, 2014

	General	Community Development Programs	Tax Increment Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 5,002,941	-	-	-	-	5,002,941
Investments	316,894	-	1,119,397	12,088,839	569,476	14,094,606
Receivables:						
Taxes	2,064,263	-	-	-	-	2,064,263
Accounts, net of allowance	818,048	3,475	-	-	198,773	1,020,296
Interfund receivables	8,116,581	-	-	-	373,544	8,490,125
Intergovernmental	-	518,505	-	-	1,071,626	1,590,131
Loans, net of allowance	431,257	4,038,971	-	-	1,520,404	5,990,632
Prepaid expenditures	198,246	-	-	-	-	198,246
Total assets	\$ 16,948,230	4,560,951	1,119,397	12,088,839	3,733,823	38,451,240
LIABILITIES						
Accounts payable	568,395	84,828	6,054	692,060	133,891	1,485,228
Accrued payroll and benefits payable	2,480,654	-	-	-	20,127	2,500,781
Escrow funds payable	43,526	50,835	-	-	-	94,361
Interfund payables	-	70,211	360,902	5,996,745	2,157,316	8,585,174
Total liabilities	3,092,575	205,874	366,956	6,688,805	2,311,334	12,665,544
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,792,296	-	-	-	-	1,792,296
Total deferred inflows of resources	1,792,296	-	-	-	-	1,792,296
FUND BALANCES						
Nonspendable - long-term receivables	431,257	4,038,971	-	-	1,520,404	5,990,632
Nonspendable - principal	-	-	-	-	69,475	69,475
Nonspendable - prepaid expenditures	198,246	-	-	-	-	198,246
Restricted	1,969,754	316,106	2,341,428	-	1,537,487	6,164,775
Committed	-	-	-	5,400,034	355,605	5,755,639
Assigned	812,886	-	-	-	-	812,886
Unassigned	8,651,216	-	(1,588,987)	-	(2,060,482)	5,001,747
Total fund balances	12,063,359	4,355,077	752,441	5,400,034	1,422,489	23,993,400
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,948,230	4,560,951	1,119,397	12,088,839	3,733,823	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	121,890,406
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,792,296
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Bonds and notes payable	(57,321,488)
Unamortized debt premiums	(1,169,513)
Accrued compensated absences	(2,208,737)
Accrued self insurance liability	(469,022)
Other post employment benefits liability	(1,138,847)
City pension liability	(816,665)
Accrued landfill liability	(579,458)
Accrued interest on debt	(574,054)

Net position of governmental activities

\$ 83,398,318

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	General	Community Development Programs	Tax Increment Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 44,563,151	-	-	-	-	44,563,151
Intergovernmental	27,995,212	783,248	-	-	6,546,819	35,325,279
Licenses and permits	325,476	-	-	-	-	325,476
Charges for services	1,304,187	-	-	-	495,538	1,799,725
Other	326,044	113,794	-	41,919	119,842	601,599
Total revenues	74,514,070	897,042	-	41,919	7,162,199	82,615,230
Expenditures:						
Current:						
General government	8,528,776	1,038,372	1,430,257	-	365,388	11,362,793
Public safety	8,415,846	-	-	-	572,085	8,987,931
Health, welfare and recreation	1,669,587	-	-	-	267,817	1,937,404
Public works	4,706,164	-	-	-	2,905,653	7,611,817
Other agencies	3,400,687	-	-	-	-	3,400,687
Education	39,453,998	-	-	-	4,052,310	43,506,308
Unclassified	325,139	-	-	-	235	325,374
Capital outlay	-	-	438,380	8,101,430	-	8,539,810
Debt service	6,330,682	-	1,043,452	-	134,941	7,509,075
Total expenditures	72,830,879	1,038,372	2,912,089	8,101,430	8,298,429	93,181,199
Excess (deficiency) of revenues over (under) expenditures	1,683,191	(141,330)	(2,912,089)	(8,059,511)	(1,136,230)	(10,565,969)
Other financing sources (uses):						
General obligation bonds issued	-	-	-	5,625,000	-	5,625,000
Premium on issuance of debt	-	-	-	186,945	-	186,945
Proceeds from notes payable	84,458	-	-	-	-	84,458
Transfers to/from other funds	(2,084,032)	-	2,084,032	-	-	-
Total other financing sources (uses)	(1,999,574)	-	2,084,032	5,811,945	-	5,896,403
Net change in fund balances	(316,383)	(141,330)	(828,057)	(2,247,566)	(1,136,230)	(4,669,566)
Fund balances, beginning of year	12,379,742	4,496,407	1,580,498	7,647,600	2,558,719	28,662,966
Fund balances, end of year	\$ 12,063,359	4,355,077	752,441	5,400,034	1,422,489	23,993,400

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2014

Net change in fund balances - total governmental funds (from Statement 4) \$ (4,669,566)

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlay exceeded depreciation expense in the current period:

Capital outlays recorded as expenditures in governmental funds	7,417,706
Depreciation and losses on dispositions not reported in governmental funds	(6,359,894)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This represents the change in unavailable revenue - property taxes. (40,385)

The issuance of long-term debt (e.g., bonds, notes and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount by which repayments exceeded proceeds:

Bond and note proceeds recorded as other financing sources in governmental funds	(5,709,458)
Principal payments on debt recorded as expenditures in governmental funds	8,426,811
Premium on issuance of debt	(186,945)
Amortization of bond premium	70,183
Amounts held in escrow	(22,152)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds; alternatively, some expenditures using current financial resources are not expenses in the statement of activities:

Compensated absences	74,848
Self-insurance expenses	303,363
Other post employment benefits	(202,840)
City pension	(80,982)
Accrued landfill liability	(53,843)
Accrued interest on debt	88,871

Change in net position of governmental activities (see Statement 2) \$ (944,283)

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance -- Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes:				
Real and personal property	\$ 40,791,471	\$ 40,791,471	41,038,172	246,701
Excise and registrations	3,068,500	3,068,500	3,394,582	326,082
Interest on delinquent taxes	140,000	140,000	130,397	(9,603)
Total taxes	43,999,971	43,999,971	44,563,151	563,180
Intergovernmental:				
State Revenue Sharing	1,649,470	1,649,470	1,683,844	34,374
School subsidy	20,137,028	20,137,028	20,137,029	1
Homestead	482,575	482,575	511,362	28,787
BETE	1,230,000	1,230,000	1,470,252	240,252
Other:				
School Department	306,246	306,246	393,903	87,657
Tax sharing/in lieu of	235,000	235,000	256,802	21,802
Municipal	641,102	641,102	670,856	29,754
Total intergovernmental	24,681,421	24,681,421	25,124,048	442,627
Other revenue:				
Licenses and permits	256,300	256,300	325,476	69,176
Charges for services:				
Municipal	937,390	937,390	888,645	(48,745)
School	466,572	466,572	365,622	(100,950)
Fines, forfeits and penalties	43,000	43,000	31,084	(11,916)
Interest:				
Municipal	22,000	22,000	1,965	(20,035)
Miscellaneous	135,000	135,000	248,446	113,446
Total other revenue	1,860,262	1,860,262	1,861,238	976
Total revenues	70,541,654	70,541,654	71,548,437	1,006,783

CITY OF AUBURN, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balances -- Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Expenditures:				
General government:				
Mayor and Council	\$ 71,079	71,079	63,338	7,741
Economic Development	318,933	318,933	320,878	(1,945)
City Manager	238,903	238,903	252,517	(13,614)
Assessing	172,277	172,277	175,756	(3,479)
City Clerk	162,045	162,045	176,786	(14,741)
Finance	405,976	405,976	409,572	(3,596)
Human resources	139,566	141,017	132,091	8,926
Information Communication Technology	395,350	428,171	386,683	41,488
Engineering	280,188	283,525	253,159	30,366
Legal services	100,000	100,000	84,239	15,761
Planning and permitting	775,230	799,816	811,835	(12,019)
Facilities	715,667	719,791	609,456	110,335
Worker's compensation (transfer to reserve)	431,446	431,446	431,446	-
Benefits and wage increases	4,397,585	4,397,585	4,417,878	(20,293)
Total general government	8,604,245	8,670,564	8,525,634	144,930
Public safety:				
Fire	4,024,789	4,024,789	4,200,291	(175,502)
Police	3,589,583	3,631,559	3,613,476	18,083
Water and sewer	558,835	558,835	576,219	(17,384)
Total public safety	8,173,207	8,215,183	8,389,986	(174,803)
Health, welfare and recreation:				
Health and social services	83,557	83,557	83,171	386
Health and social services - public assistance	105,982	105,982	139,177	(33,195)
Library	946,737	946,737	936,987	9,750
Parks and recreation	567,334	583,798	510,252	73,546
Total health, welfare and recreation	1,703,610	1,720,074	1,669,587	50,487
Public works	4,730,432	4,910,919	4,703,896	207,023
Other agencies:				
County tax	2,029,513	2,029,513	2,029,512	1
Auburn-Lewiston Airport	105,000	105,000	105,000	-
Lewiston-Auburn Transit Committee	235,496	235,496	235,373	123
Lewiston-Auburn E911 Center	1,036,409	1,036,409	1,030,802	5,607
Total other agencies	3,406,418	3,406,418	3,400,687	5,731

CITY OF AUBURN, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balances -- Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Expenditures, continued:				
Education	\$ 37,128,028	37,128,028	36,498,376	629,652
Other appropriations:				
Tax sharing	270,000	270,000	256,525	13,475
Overlay/abatements	-	-	68,614	(68,614)
Debt service - principal	5,329,623	5,329,623	5,330,266	(643)
Debt service - interest and other	991,961	991,961	1,000,416	(8,455)
Emergency reserve	375,289	375,289	-	375,289
Total other appropriations	6,966,873	6,966,873	6,655,821	311,052
Total expenditures	70,712,813	71,018,059	69,843,987	1,174,072
Excess (deficiency) of revenues over (under) expenditures	(171,159)	(476,405)	1,704,450	2,180,855
Other financing sources (uses):				
Transfers in from other funds	520,000	520,000	500,000	(20,000)
Transfers to other funds	(2,555,723)	(2,555,723)	(2,584,032)	(28,309)
Budget use of surplus - City	1,350,000	1,350,000	-	(1,350,000)
Use of carryforwards - City	-	305,246	-	(305,246)
Budget use of surplus - School	856,882	856,882	-	(856,882)
Total other financing sources (uses)	171,159	476,405	(2,084,032)	(2,560,437)
Net change in fund balance - budgetary basis	-	-	(379,582)	(379,582)
To adjust to modified accrual basis:				
To reflect net change in reserves			63,199	
Net change in fund balance - GAAP basis			(316,383)	
Fund balance, beginning of year			12,379,742	
Fund balance, end of year			\$ 12,063,359	

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2014

Business-type Activities - Enterprise Funds				
	Ingersoll Ice Arena	NSB Ice Arena	Centralized School Lunch	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 249,645	200	157,050	406,895
Accounts receivable	-	-	14,521	14,521
Due from other governments	-	-	49,447	49,447
Interfund receivables	-	126,407	3,265	129,672
Inventory	-	-	34,858	34,858
Total current assets	249,645	126,607	259,141	635,393
Noncurrent assets:				
Capital assets:				
Buildings	672,279	35,905	-	708,184
Equipment	66,415	285,813	86,333	438,561
Vehicles	-	-	38,789	38,789
Land improvements	18,584	-	-	18,584
Less accumulated depreciation	(524,986)	(82,386)	(48,285)	(655,657)
Total noncurrent assets	232,292	239,332	76,837	548,461
Total assets	481,937	365,939	335,978	1,183,854
LIABILITIES				
Accounts payable	382	18,012	-	18,394
Accrued benefits payable	-	-	6,478	6,478
Interfund payables	34,623	-	-	34,623
Total liabilities	35,005	18,012	6,478	59,495
NET POSITION				
Net investment in capital assets	232,292	239,332	76,837	548,461
Unrestricted	214,640	108,595	252,663	575,898
Total net position	\$ 446,932	347,927	329,500	1,124,359

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Business-type Activities - Enterprise Funds
For the Year Ended June 30, 2014

	Ingersoll Ice Arena	NSB Ice Arena	Centralized School Lunch	Totals
Operating revenues:				
Charges for services	\$ 53,511	873,741	211,844	1,139,096
Intergovernmental revenue	-	-	1,090,354	1,090,354
Total operating revenues	53,511	873,741	1,302,198	2,229,450
Operating expenses:				
Personnel	70,931	188,814	575,331	835,076
Food	-	-	624,505	624,505
Supplies	6,799	78,807	-	85,606
Utilities	59,918	104,231	-	164,149
Repairs and maintenance	27,630	2,387	85,030	115,047
Depreciation	30,379	26,386	8,904	65,669
Other expenses	3,717	125,189	18,881	147,787
Total operating expenses	199,374	525,814	1,312,651	2,037,839
Operating income (loss)	(145,863)	347,927	(10,453)	191,611
Nonoperating revenue (expense):				
Interest income	942	-	234	1,176
Loss on sale of equipment	(315,131)	-	-	(315,131)
Interest expense	(89,864)	-	-	(89,864)
Total nonoperating revenue (expense)	(404,053)	-	234	(403,819)
Change in net position	(549,916)	347,927	(10,219)	(212,208)
Net position, beginning of year	996,848	-	339,719	1,336,567
Net position, end of year	\$ 446,932	347,927	329,500	1,124,359

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Statement of Cash Flows
Proprietary Funds
Business-type Activities - Enterprise Funds
For the Year Ended June 30, 2014

	Ingersoll Ice Arena	NSB Ice Arena	Centralized School Lunch	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 72,336	873,741	210,278	1,156,355
Cash received from federal and state grants	-	-	1,080,169	1,080,169
Cash paid to suppliers for goods and services	(104,182)	(292,602)	(732,424)	(1,129,208)
Cash paid to employees for services	(70,931)	(188,814)	(568,853)	(828,598)
Net cash provided by (used in) operating activities	(102,777)	392,325	(10,830)	278,718
Cash flows from noncapital financing activities:				
Interfund loans	139,492	(126,407)	-	13,085
Net cash provided by (used in) noncapital financing activities	139,492	(126,407)	-	13,085
Cash flows from capital and related financing activities:				
Sale (Purchase) of capital assets	52,600	(265,718)	(7,775)	(220,893)
Interest paid on general and limited revenue obligation bonds	(89,864)	-	-	(89,864)
Net cash used in capital and related financing activities	(37,264)	(265,718)	(7,775)	(310,757)
Cash flows from investing activities:				
Interest on investments	942	-	234	1,176
Net cash provided by investing activities	942	-	234	1,176
Net increase (decrease) in cash and cash equivalents	393	200	(18,371)	(17,978)
Cash and cash equivalents, July 1	249,252	-	175,421	424,673
Cash and cash equivalents, June 30	\$ 249,645	200	157,050	406,695
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	(145,863)	347,927	(10,453)	191,611
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	30,379	26,386	8,904	65,669
Changes in assets and liabilities:				
Accounts receivable	18,825	-	(1,566)	17,259
Due from other governments	-	-	(10,185)	(10,185)
Due from other funds	-	-	(3,192)	(3,192)
Inventory	-	-	(816)	(816)
Accounts payable	(6,118)	18,012	6,478	18,372
Accrued benefits payable	-	-	-	-
Total adjustments	43,086	44,398	(377)	87,107
Net cash provided by (used in) operating activities	\$ (102,777)	392,325	(10,830)	278,718

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Agency Fund	Private- purpose Trust Funds
ASSETS		
Cash and cash equivalents	\$ 158,873	124,861
Total assets	158,873	124,861
LIABILITIES		
Accounts payable	-	15,992
Amounts held for others	158,873	-
Total liabilities	158,873	15,992
NET POSITION		
Held in trust	\$ -	108,869

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

	Private- purpose Trust Funds
Additions:	
Investment income	\$ 4,038
Total additions	4,038
Deductions:	
Current:	
Scholarships	6,379
Total deductions	6,379
Change in net position	(2,341)
Net position, beginning of year	111,210
Net position, end of year	\$ 108,869

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Notes to the Financial Statements
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Auburn, Maine was incorporated in 1869 under the laws of the State of Maine. The City operates under a Mayor-Council and City Manager form of government and provides the following services: general governmental services, public safety, public works (highways, streets and sidewalks), health and social services, sanitation, culture and recreation, planning and permitting, education and public improvements. The Council is made up of seven members and one mayor elected by registered voters.

The criteria used to determine which accounting entities, agencies, commissions, boards and authorities are part of the City's operations include how the budget is adopted, whether debt is secured by general obligation of the City, the City's duty to cover any deficits that may occur, and supervision over the accounting functions. There are no agencies, organizations or activities meeting any of the above criteria that are excluded from the City reporting entity.

The accounting policies of the City of Auburn conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, investment earnings and charges for services are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Community Development Block Grant Special Revenue Fund* accounts for the federal grants obtained and expended under the Housing and Community Development Act of 1974, as amended, for the development of viable urban communities.

The *Tax Increment Financing Special Revenue Fund* accounts for the capturing of new tax revenue and expenditures the City is allowed to allocate to pay for public purpose economic development projects and job creation.

The *Capital Projects Fund* accounts for the financial resources and expenditures related to the City's annual capital improvement program, which includes improvements to School Department buildings and other municipal facilities, general street rehabilitation and the purchase of major capital items.

The government reports the following major enterprise funds:

The *Ingersoll Ice Arena* fund accounts for the activities of the Arena. The Arena operates the ice rink for residents of the City. *Ingersoll Ice Arena* was closed in December 2013 when a new dual sheet arena was opened.

The *Norway Savings Bank Arena* fund account for the activities of the Arena. The Arena operates a dual rink for residents, youth hockey organizations and school teams. *Norway Savings Bank Arena* was opened in November 2013.

The *Centralized School Lunch fund* accounts for the School Department's lunch program, including breakfast and lunch provided for the students of the City's School system.

Additionally, the City reports the following fund types:

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Private-purpose Trust Funds are used to report the activity for bequests left for charitable payments of scholarship awards. These assets are held by the City in a trustee capacity, whereby the original bequest is preserved as nonexpendable and the accumulated interest earnings are available to provide for educational awards.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency Funds account for assets held by the City as an agent for individuals, private organizations, other governments and/or funds. The City of Auburn serves as an agent for the various school activity accounts.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's governmental activities and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary fund are charges to users; operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities, Deferred Outflows of Resources and Net Position/Fund Balance

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. City policy is that deposits can only be made in financial institutions insured by the FDIC. The City's investment policy authorizes investments in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, certain corporate bonds, certain certificates of deposit and certain money market funds. The City invests its funds in an effort to ensure preservation of capital, remain sufficiently liquid and attain a reasonable market rate of return, while remaining within the guidelines as provided by the City's Investment Policy.

Investments are reported at fair value.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables."

Receivables are shown net of allowances for uncollectibles as necessary.

Interest at the rate of 7% per annum was charged on any amounts remaining unpaid after these respective due dates.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Under State law, tax liens are placed on real property if the taxes become delinquent. The lien process may commence after the expiration of eight months and within one year after the date of the tax commitment. The City has the authority to foreclose on real property if the tax lien and associated costs of filing the lien remain unpaid eighteen months after the date of filing.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and during the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred inflows of resources - unavailable revenues.

3. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventories (consisting of food and supplies) include the value of government surplus items donated to the School Lunch Program. The costs of all other governmental fund type inventories are recorded as expenditures when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. All depreciable capital assets are depreciated using the straight-line method over the estimated useful lives as follows:

Vehicles	3 – 15 years
Equipment	5 – 15 years
Buildings and Building Improvements	10 – 40 years
Improvements other than Buildings	10 years
Infrastructure	10 – 60 years

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

5. Deferred Inflows of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred *inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

Under terms of union contracts and personnel administration policies, employees are granted vacation and sick leave in varying amounts and are, in some cases, entitled to payment for unused vacation and sick leave upon termination or retirement. All vacation pay and vested sick leave is accrued as a liability in the government-wide financial statements.

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

Governmental Fund fund balances are reported in five classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent. The Finance Director is authorized to classify the fund balances through the Fund Balance Policy adopted by the Auburn City Council on June 20, 2011. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, the City Council by formal action as required by the Fund Balance Policy adopted by City Council on June 11, 2011, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Council has by resolution authorized the Finance Director to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The City Council has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. Likewise, management or City Council may assign unspent budgeted amounts to specific purposes in the General Fund at year end based on Department requests.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the government's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is the government's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

9. Use of Estimates

Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets are adopted for the General Fund only and are adopted on a basis consistent with generally accepted accounting principles (GAAP) except as noted on Statement 6. All unexpended annual appropriations, other than encumbrances, lapse at the close of the fiscal year.

Each year, all departments of the City submit requests for appropriations to the City's Manager so that a budget may be prepared. On or before April 30, the proposed budget is presented to the City Council for review. The Council holds public hearings and a final budget must be prepared and adopted no later than June 30.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, Continued

The appropriated budget is prepared by department. The department managers may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Manager. The legal level of budgetary control (level at which expenditures may not legally exceed appropriations without seeking approval of the City Council) is the total appropriation resolve level. Supplemental budgetary appropriations must be approved by the City Council. There were no supplemental budgetary appropriations during fiscal year 2014.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2014, expenditures exceeded appropriation in the following general fund categories: Economic Development, \$1,945; City Manager, \$13,614; Assessing, \$3,479; City Clerk, \$14,741, Finance, \$3,596; Planning and Permitting, \$12,019, Benefits and wage increases, \$20,293; Fire, \$175,502; Water and Sewer, \$17,384; Health & Social Services-Public Assistance, \$33,195; Debt service – principal, \$643, Debt service – interest, \$8,455. In total, the City's expenditures were \$1,174,072 less than total appropriations.

C. Deficit Fund Equity

At June 30, 2014, the City had the following funds with deficit fund balances:

City Special Revenue	\$ 50,731	Maine DOT	101,092
HEAPP	4,075	Safe School Health	4,527
Underage Drinking	5,029	Energov Grant	1,724
Joint Land Use Grant	16,649	American Firefighters	10,509
Teen Driver Safety	108	EDI Grant	1,299,734
211 Fairview	566,304	TIF	1,588,987

Revenue to offset the 211 Fairview deficit is expected from a future property sale in fiscal year 2015 – 2017 to Bedard Medical Equipment and Supplies. Future revenues and transfers from the General Fund are expected to fund the remaining deficit fund balances.

D. Budget Basis of Accounting vs. GAAP Basis of Accounting

The City's budget is reported on a modified accrual basis except that in the current year, certain workers compensation and unemployment payments were not budgeted, which were included in General Fund reserves.

Additionally, certain on-behalf payments made by the State of Maine to the Maine Public Employees Retirement System (Maine PERS) for teachers and certain other School employees are not budgeted. Such on-behalf payments amounted to \$2,871,164 in 2014.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

1. Deposits

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2014, the City deposits amounted to \$19,788,176 with bank balances of \$21,706,843. The City does not have a deposit policy for custodial credit risk. None of the City's total bank balance was exposed to custodial credit risk.

2. Investments

Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and certain corporate stocks and bonds. The City has an Investment Policy, adopted by the City Council in 1995, which further defines the investments in which the City's available funds are permitted to be invested. At June 30, 2014, all the City's investments were in money market accounts or certificates of deposits both of which have been included above under the disclosure on deposits.

Deposits and investments have been reported as either cash and cash equivalents or as investments as follows in the financial statements:

Reported in governmental funds	\$ 19,097,547
Reported in proprietary funds	406,895
Reported in fiduciary funds	283,734
Total reported	\$ 19,788,176
Disclosed as deposits (above)	\$ 5,693,570
Disclosed as investments (above)	14,094,606
Total reported	\$ 19,788,176

B. Receivables

Receivables as of June 30, 2014, for the City's individual major funds, non major and business-type enterprise funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Community Dev. Programs</u>	<u>Enterprise Funds</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 2,064,263	-	-	-	2,064,263
Accounts	895,048	3,475	14,521	198,773	1,111,817
Loans	431,257	4,202,007	-	1,520,404	6,153,668
Intergovernmental	-	518,505	49,447	1,071,626	1,639,578
Gross receivables	3,390,568	4,723,987	63,968	2,790,803	10,969,326
Less: allowance for uncollectibles	(77,000)	(163,036)	-	-	(240,036)
Net total					
receivables	\$ 3,313,568	4,560,951	63,968	2,790,803	10,729,290

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

Property taxes levied during fiscal year 2014 are recorded as receivables. The receivables collected during the fiscal year ended June 30, 2014 and during the 1st 60 days of fiscal year 2015 are recognized as revenues in the Governmental Funds, in fiscal year 2014. Receivables of \$1,792,296, estimated to be collectible subsequent to the 60 day period are considered to be unavailable revenues. Prior year tax levies were recorded using the same principle.

C. Property Taxes

The City's property tax is levied on the assessed value listed as of the prior April 1 for all real and taxable personal property located in the City. Assessed values are periodically established by the Assessor at 100% of the assumed market value. Property taxes were levied August 21, 2013 on the assessed values of real property as of April 1, 2013. Taxes were due September 25, 2013 and March 15, 2014. This assessed value of \$2,005,721,383 was 104% of the 2014 state valuation of \$1,926,200,000.

The City is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$425,900 for the year ended June 30, 2014.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The City has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

Property taxes levied during the year ended were recorded as receivables at the time the levy was made. The receivables collected during the year ended and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as unavailable revenues.

The following summarizes the periods ended June 30, 2014 and 2013 levies:

	<u>2014</u>	<u>2013</u>
Valuation:		
Real property	\$1,823,040,083	1,820,465,334
Personal property	182,681,300	190,045,000
Assessed value (less exempt properties)	2,005,721,383	2,010,510,334
Tax rate (per \$1,000)	20.43	19.59
Commitment	40,976,888	39,385,897
Supplemental taxes assessed	10,542	69,660
	40,987,430	39,455,557
Less:		
Collections and abatements	39,889,671	38,386,284
Receivable at June 30	\$ 1,097,759	1,069,273
Due date(s)	9/25/13 3/15/14	9/15/12 3/15/13
Interest rate charged on delinquent taxes	7.0%	7.0%
Collection rate	97.3%	97.3%

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

D. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance June 30, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2014</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,489,841	-	-	7,489,841
Construction in progress	5,041,731	3,638,052	3,143,655	5,536,128
Total capital assets, not being depreciated	12,531,572	3,638,052	3,143,655	13,025,969
Capital assets, being depreciated:				
Buildings and building improvements	74,783,919	497,104	-	75,281,023
Equipment	5,114,791	432,802	-	5,547,593
Vehicles	9,857,534	498,042	388,603	9,966,973
Infrastructure	90,774,446	5,495,361	-	96,269,807
Total capital assets being depreciated	180,530,690	6,923,309	388,603	187,065,396
Less accumulated depreciation for:				
Buildings and building improvements	31,436,351	1,893,438	-	33,329,789
Equipment	3,893,636	334,014	-	4,227,650
Vehicles	6,156,582	753,221	376,490	6,533,313
Infrastructure	30,743,099	3,367,108	-	34,110,207
Total accumulated depreciation	72,229,668	6,347,781	376,490	78,200,959
Total capital assets being depreciated, net	108,301,022	575,528	12,113	108,864,437
Governmental activities capital assets, net	\$ 120,832,594	4,213,580	3,155,768	121,890,406

	Balance June 30, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2014</u>
Business-type activities:				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 18,584	-	-	18,584
Buildings and building improvements	672,279	35,905	-	708,184
Equipment	905,469	237,588	704,496	438,561
Vehicles	38,789	-	-	38,789
Total capital assets being depreciated	1,635,121	273,493	704,496	1,204,118
Less accumulated depreciation for:				
Improvements other than buildings	18,584	-	-	18,584
Buildings and building improvements	431,402	24,204	-	455,606
Equipment	446,555	37,507	336,765	147,297
Vehicles	30,212	3,958	-	34,170
Total accumulated depreciation	926,753	65,669	336,765	655,657
Total capital assets being depreciated, net	708,368	207,824	367,731	548,461
Business-type activities capital assets, net	\$ 708,368	207,824	367,731	548,461

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 514,247
Public safety	416,252
Public works, including depreciation of general infrastructure assets	3,639,284
Health, welfare and recreation	234,715
Education	1,543,283

<u>Total depreciation expense – governmental activities</u>	<u>\$ 6,347,781</u>
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Business-type activities:	
Ingersoll Ice Arena	\$ 30,379
Norway Savings Bank Ice Arena	26,386
Centralized School Lunch	8,904

<u>Total depreciation expense – business-type activities</u>	<u>\$ 65,669</u>
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E. Tax Increment Financing Districts

The City currently has seventeen tax increment financing (TIF) districts, eleven of which were active during the year ended June 30, 2014. Two of the seventeen districts never became active, and four have expired, leaving eleven active TIF districts (numbers 4 – 17 below, less #5, #7, #11 and #15, which is combined with #14). The objective of these TIF districts is to stimulate new investment in the community by financing, through various tax increment financing projects, various public improvements. Taxes derived from increased assessed valuation within the districts can be "captured" for approved uses. Expenditures in any given year may exceed captured values in that year as a result of balances available in TIF accounts from prior periods.

The following is a brief description of each:

#4 TAMBRANDS - This TIF was established in 1998 and encompasses 40 acres, all the value of which is represented by personal property. The original value was \$1,702,000. 100% of the tax revenue associated with increased value within the TIF is captured, 35% of which is used to fulfill the obligations under a credit enhancement agreement. During 2014, \$1,216,206 was captured, of which \$790,534 was recorded in the General Fund and \$425,672 was recorded in the TIF Fund. During 2014, \$1,216,206 was expended, of which \$790,534 was expended in the General Fund and \$425,672 was expended in the TIF Fund.

#6 TAMBRANDS II - This TIF was established in 2001 and encompasses 84 acres. The original value was \$520,900. 100% of the tax revenue associated with increased value within the TIF is captured, 40% of which is used to fulfill the obligations under a credit enhancement agreement. During 2014, \$179,719 was captured, of which \$107,832 was recorded in the General Fund and \$71,887 was recorded in the TIF Fund. During 2014, \$571,887 was expended, of which \$500,000 was expended in the General Fund and \$71,887 was expended in the TIF Fund.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

#8 Gates Form Fiber - This TIF was established in 2001 and encompasses 54 acres. The original value was \$366,000. 100% of the tax revenue associated with increased value within the TIF can be captured, 40% of which is used to fulfill the obligations under a credit enhancement agreement. During 2014, \$76,190 was captured, of which \$45,714 was recorded in the General Fund and \$30,476 was recorded in the TIF Fund. During 2014, \$76,190 was expended, of which \$45,714 was expended in the General Fund and \$30,476 was expended in the TIF Fund.

#9 Mall Area - This TIF was established in 2002 and amended in both 2006 and 2007. The TIF as amended encompasses 57.74 acres. The amended base value is \$5,956,300. 100% of the tax revenue associated with increased value within the TIF is captured and used for public improvements. During 2014, \$351,161 was captured and recorded in the TIF Fund and \$810,113 was expended in the TIF Fund.

#10 The Downtown Area - This TIF was established in 2002, and encompasses 119.31 acres. The original value was \$80,676,600. 100% of the tax revenue associated with increased value within the TIF can be captured. During 2014, \$706,081 was captured and recorded in the TIF Fund, \$500,000 was transferred to the General Fund and \$494,556 was expended in the TIF Fund.

#12 Auburn Industrial Park - This TIF was established in 2006 and encompasses 144 acres. The original value was \$334,200. 100% of the tax revenue associated with the increased value within the TIF is captured and will be dedicated to public improvements. During 2014, \$139,049 was captured and recorded in the TIF Fund and \$177,163 was expended in the TIF Fund.

#13 Retail Development - This TIF was established in 2007 and encompasses 29.67 acres. The original value was \$5,425,400. 100% of the tax revenue associated with the increased value within the TIF can be captured with a sliding scale of 30% to 40% to be used to fulfill obligations under a credit enhancement agreement that has established benchmarks triggering payments for growth in value and the balance restricted for public infrastructure improvements. During 2014, \$302,991 was captured and recorded in the TIF Fund and \$127,256 was expended in the TIF Fun.

#14 & #15 Auburn Mall - This TIF was established in 2005 and encompasses 47.44 acres. The original value was \$12,719,900. 100% of the tax revenue associated with increased value within the TIF can be captured, 47% of which is used to fulfill the obligations under a credit enhancement agreement. During 2014, \$576,318 was captured, of which \$76,362 was recorded in the General Fund and \$499,956 was recorded in the TIF Fund. During 2014, \$1,158,168 was expended, of which \$439,961 was expended in the General Fund and \$718,207 was expended in the TIF Fund.

#16 Webster School Housing - This TIF was established in 2010 and encompasses 1.4 acres. The original value was \$522,800. 100% of the tax revenue associated with increased value within the TIF can be captured, 60% of which is used to fulfill the obligations under a credit enhancement agreement. During 2014, \$45,491 was captured, of which \$18,196 was recorded in the General Fund and \$27,295 was recorded in the TIF Fund. During 2014, \$45,491 was expended, of which \$18,196 was expended in the General Fund and \$27,295 was expended in the TIF Fund.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

#17 Bedard Medical - This TIF was established in 2011 and encompasses 3.8 acres. The original value was \$468,800. 100% of the tax revenue associated with increased value within the TIF can be captured, 40% of which is used to fulfill the obligations under a credit enhancement agreement. During 2014, \$73,660 was captured, of which \$44,196 was recorded in the General Fund and \$29,464 was recorded in the TIF Fund. During 2014, \$73,660 was expended, of which \$44,196 was expended in the General Fund and \$29,464 was expended in the TIF Fund

F. Interfund Receivables and Payables and Transfers

The composition of interfund balances as of June 30, 2014 is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 8,116,581	-	500,000	2,584,032
Community Dev. Programs	-	70,211	-	-
Capital Projects	-	5,996,745	-	-
Tax Incrementing Financing	-	360,902	2,584,032	500,000
Other Governmental Funds	373,544	2,157,316	-	-
Enterprise Fund:				
Ingersoll Ice Arena	-	34,623	-	-
Norway Savings Bank Ice Arena	126,407	-	-	-
Centralized School Lunch	3,265	-	-	-
Totals	\$ 8,619,797	8,619,797	3,084,032	3,084,032

Interfund receivables and payables represent outstanding balances between funds that result from timing differences between when transactions are recorded in the accounting system, and when payments between funds are settled.

Transfers are used to move revenues from the general fund to finance various other fund's programs or activities in accordance with budgetary authorizations.

G. Construction Contracts and Other Commitments

The following is a list of the City's open contracts as of June 30, 2014:

	<u>Funding Source</u>	<u>Total Contract</u>	<u>Balance as of June 30, 2014</u>
2014 Paving	Capital Projects Fund	\$ 717,800	286,791
2014 Reconstruction	Capital Projects Fund	731,380	473,265
Industrial Park	EDA Grant	2,185,000	908,236
Parking Lot Hampshire St	CDBG Grant	69,756	22,756
MPI Projects	MDOT Grant	989,065	980,140
Park Ave/Mt Auburn Intersection	MDOT Grant	442,500	224,641
Park Ave Phase II	MDOT Grant	979,500	922,225

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

As discussed in note II.A, Budgetary information, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	\$ 292,886
Special revenue funds	2,551,030
Capital project funds	3,007,455
Total	<u>\$ 5,851,371</u>

H. Long-term Debt

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. On November 12, 2013, General Obligation Bonds totaling \$5,625,000 were issued and dedicated to the capital improvement program for the City and School Department.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as ten year serial bonds with equal amounts of principal maturing each year. Additionally, Androscoggin County, who's bonded debt would be considered overlapping with the City of Auburn, had no outstanding debt at June 30, 2014. General obligation bonds and notes payable currently outstanding are as follows:

	<u>Issued</u>	<u>Original</u>	<u>Matures</u>	<u>Interest rate</u>	<u>Outstanding balance</u>
Bonds:					
School Construction Bonds	10/31/96	\$ 8,400,000	11/01/16	5.183%-5.733%	1,260,000
General Obligation Bonds	04/30/02	6,000,000	11/01/22	3.05%-5.25%	2,700,000
General Obligation Bonds	10/31/02	8,200,000	11/01/22	2.031%-5.031%	3,690,000
MMWAC Bonding	09/11/04	11,950,000	11/01/14	4.00%	200,000
General Obligation Bonds	09/15/04	8,180,000	09/01/24	4.00%-4.25%	815,000
General Obligation Bonds	10/18/05	15,281,000	09/01/25	4.00%-4.50%	2,545,000
General Obligation Bonds	11/01/06	13,000,000	09/01/16	4.00%-4.25%	7,160,000
General Obligation Bonds	12/01/07	6,000,000	09/01/17	3.47%	2,400,000
General Obligation Bonds	10/15/08	6,430,000	09/01/18	3.65%	3,205,000
QZAB	12/11/10	1,000,000	12/11/19	0.40%	600,000
General Obligation Bonds	10/15/09	5,500,000	09/01/19	3.00%	3,300,000
General Obligation Bonds	11/01/10	7,900,000	09/01/20	2.00%-2.50%	5,530,000
General Obligation Bonds	11/01/11	4,500,000	09/01/21	2.00%-2.75%	3,600,000
QZAB	07/13/12	1,057,323	07/13/22	4.40%	951,591
General Obligation Bonds	09/27/12	13,835,000	09/01/27	2.00%-4.50%	13,245,000
General Obligation Bonds	11/19/13	5,625,000	09/01/27	2.00%-3.00%	5,625,000
Bonds payable					56,826,591

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

Notes:

School Revolving Loan	08/11/05	\$ 704,970	08/11/15	0.00%	99,244
School Revolving Loan	12/29/10	444,565	07/01/20	0.00%	311,195
School Revolving Loan	09/13/13	188,313	09/13/18	0.00%	84,458
<u>Notes payable</u>					<u>494,897</u>

Total bonds and notes payable \$ 57,321,488

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	<u>Bonds Payable</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 8,455,732	1,755,699	110,970	-
2016	7,810,732	1,496,195	110,970	-
2017	7,345,732	1,239,702	61,348	-
2018	6,470,732	1,025,191	61,348	-
2019	5,785,732	831,146	61,348	-
2020-2024	18,207,931	1,766,613	88,913	-
2025-2029	2,750,000	131,891	-	-
Total	\$ 56,826,591	8,246,437	494,897	-

For the year ended June 30, 2014, interest expense of the General Fund was \$1,000,416.

The City is subject to a statutory limitation by the State of Maine of its general long-term debt equal to 15% of the State's valuation of the City. At June 30, 2014, the statutory limit for the City was \$288,930,000. The City's outstanding long-term debt of \$56,826,591 at June 30, 2014 was \$232,103,409 less than the statutory limit.

Changes in General Long-term Liabilities. Long-term liability activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable					
General obligation bonds	\$ 59,534,323	5,625,000	8,332,732	56,826,591	8,455,732
Premium	1,052,751	186,945	70,183	1,169,513	82,646
Total bonds payable	60,587,074	5,811,945	8,402,915	57,996,104	8,538,378
Notes payable	504,518	84,458	94,079	494,897	110,970
Accrued compensated absences	2,283,585	-	74,848	2,208,737	74,848
Other post employment benefits	936,007	202,840	-	1,138,847	-
Accrued self-insurance liability	772,385	-	303,363	469,022	-
Net pension obligation:					
City pension plan	735,683	80,982	-	816,665	-
Landfill postclosure care costs	525,615	53,843	-	579,458	75,994
Accrued interest on debt	662,925	-	88,871	574,054	574,054
Governmental activity long-term liabilities	\$ 67,007,792	6,234,068	8,964,076	64,277,784	9,374,244

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

General Fund and Special Revenue accounts have been used to liquidate the liability for compensated absences, landfill postclosure cost, net pension obligation and other post employment benefits.

I. Fund Balances

As of June 30, 2014, fund balances components consisted of the following:

	General Fund	Other Governmental Funds	Total
Nonspendable:			
Prepaid expenditures	\$ 198,246	-	198,246
Long-term receivables	431,257	5,559,375	5,990,632
Principal for permanent funds	-	69,475	69,475
<u>Total nonspendable</u>	<u>629,503</u>	<u>5,628,850</u>	<u>6,258,353</u>
Restricted:			
Education	1,969,754	601,758	2,571,512
City Special Revenue	-	742,485	742,485
Community Development Programs	-	316,106	316,106
Tax Increment Financing	-	2,341,428	2,341,428
Permanent funds	-	193,244	193,244
<u>Total restricted</u>	<u>1,969,754</u>	<u>4,195,021</u>	<u>6,164,775</u>
Committed:			
Parking services	-	51,587	51,587
Parks and recreation	-	304,018	304,018
Capital projects	-	5,400,034	5,400,034
<u>Total committed</u>	<u>-</u>	<u>5,755,639</u>	<u>5,755,639</u>
Assigned:			
Reserves	50,978	-	50,978
Self insurance	469,022	-	469,022
Encumbrances	292,886	-	292,886
<u>Total assigned</u>	<u>812,886</u>	<u>-</u>	<u>812,886</u>
Unassigned	8,651,216	(3,649,469)	5,001,747
<u>Total fund balance</u>	<u>\$ 12,063,359</u>	<u>11,930,041</u>	<u>23,993,400</u>

J. Landfill Postclosure Care Costs

State and federal laws require that the City place a final cover on its landfills when waste is no longer accepted and perform certain maintenance and monitoring functions at the sites for thirty years after closure. In addition to operating expenditures related to current activities of the landfill, a liability for the postclosure care costs are recorded in the governmental activities on the statement of net position (Statement 1).

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

The \$579,458 reported as landfill postclosure care liability at June 30, 2014, represents the estimated liability for postclosure care costs at that date. The cost is comprised of \$114,000 for post closure care costs (12 years) for a brush landfill that stopped accepting debris during fiscal year 1996. The additional cost of \$465,458 represents the estimated future postclosure care cost (7 years) of a previously closed ash landfill.

The estimated total current cost of landfill postclosure care of \$579,458 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2014. Actual cost may be higher due to inflation, changes in technology, and changes in laws or regulations, or may be reduced if another governmental agency reimburses the City for a portion of the cost.

K. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of bonds and notes payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net investment in capital assets was calculated as follows at June 30, 2014:

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 200,091,365	\$ 1,204,118
Accumulated depreciation	(78,200,959)	(655,657)
Bonds payable	(56,826,591)	-
Notes payable	(494,897)	-
Unspent bond proceeds	4,274,942	-
Unamortized debt premium	(1,169,513)	-
Non capital related		
Unamortized debt premium	157,211	-
Total net investment in capital assets	\$ 67,831,558	\$ 548,461

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the City is insured through the Maine Municipal Association Risk Pool, a state-chartered risk pool established exclusively for Maine municipalities. If the assets of the Pool are at any time actuarially determined to be insufficient to enable the Pool to discharge its legal liabilities and other obligations and to maintain actuarially sound reserves, the Pool has the power to make up the deficiency by the levy of a pro-rated assessment upon Pool Members for the amount needed to make up the deficiency. Management believes that no such deficiency exists at June 30, 2014.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

IV. OTHER INFORMATION, Continued

The City established a self-insured worker's compensation program in May 1982. This program provides coverage for up to a maximum of \$500,000 for each worker's compensation claim. This amount totaled \$469,022 at June 30, 2014.

The City purchases commercial insurance for claims in excess of coverage provided by the self-insurance program and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. All departments of the City participate in the program and the General Fund budget is based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for estimated future payment of incurred losses. The total liability of \$469,022 reported in the Statement of Net Position is based on the requirements of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statement and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. A discount rate of 4.5% has been used in calculating the liability.

The following summarizes the claims activity with respect to the City's self-insured workers' compensation program.

	Fiscal Year <u>2014</u>	Fiscal Year <u>2013</u>
Unpaid claims as of July 1	\$ 772,385	805,204
Incurred claims (including claims incurred but not reported as of June 30)	3,725	294,586
<u>Total claim payments</u>	<u>307,088</u>	<u>327,405</u>
Current claims liability	21,229	17,270
<u>Long-term claims liability</u>	<u>447,793</u>	<u>755,115</u>
<u>Total unpaid claims liability</u>	<u>\$ 469,022</u>	<u>772,385</u>

The City assigns a portion of its General Fund fund balance for both workers compensation and a reserve for unemployment. This amounted totaled \$469,022 at June 30, 2014.

B. Joint Ventures

The City of Auburn has entered into several ventures with other entities. The following joint ventures result from a contractual arrangement (interlocal agreement) in which the City retains an ongoing financial responsibility. The following joint ventures' existence depends on continued funding by the governments:

Auburn-Lewiston Municipal Airport
Lewiston-Auburn Economic Growth Council
Lewiston-Auburn Transit Committee
Lewiston-Auburn 9-1-1 Committee

The interlocal agreements for these four joint ventures do not stipulate that the participants have a present or future claim to the net resources of the organization, except upon dissolution.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

IV. OTHER INFORMATION, Continued

Therefore, no equity interest has been reported in the financial statements for these joint ventures.

Mid Maine Waste Action Corporation is a joint venture that provides for waste disposal for the City and eleven other participating governments. The City is responsible for disposing of its municipal solid waste at the facility and therefore has an ongoing financial responsibility to it.

Additionally, as described in the interlocal agreement, the City is responsible for funding certain deficits the organization may incur.

Information pertaining to each of these five joint ventures follows:

Auburn-Lewiston Municipal Airport

The Auburn-Lewiston Municipal Airport is operated jointly by the Cities of Auburn and Lewiston by a seven-member board currently comprised of three members from the City of Auburn and three members from the City of Lewiston appointed by the respective City Councils, and one member from Auburn Chamber of Commerce. The Airport's governing Board selects management staff, sets user charges, establishes budgets, and controls all aspects of its operations. The City of Auburn is responsible, through the budget process, to fund 50% of the annual anticipated operating and capital needs of the airport. In the fiscal year ended June 30, 2014, the City of Auburn contributed \$105,000 for airport operations.

The following is selected information for the years ending June 30, 2014 and June 30, 2013:

	June 30, <u>2014</u>	June 30, <u>2013</u>
Total assets	\$ 8,462,728	\$ 9,081,302
Total liabilities	74,929	61,538
Net position	8,387,799	9,019,764
Change in net position	(631,965)	(273,980)

In addition to contributions from the two municipalities, the Airport derives revenues through user fees, interest on investments in time deposits and from federal and state grants. For the year ended June 30, 2014, the Airport had total revenues of \$1,410,371 and expenditures of \$2,042,336, including depreciation of \$537,472.

The separate audited financial statements of the Auburn-Lewiston Municipal Airport may be obtained from the City's Finance Department.

Lewiston-Auburn Economic Growth Council

The Lewiston-Auburn Economic Growth Council (LAEGC) is a nonprofit corporation formed to stimulate industrial and commercial development and expansion in the cities of Auburn and Lewiston. Auburn participates equally in this joint venture with the City of Lewiston, the Lewiston Development Corporation, and the Auburn Business Development Corporation.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

IV. OTHER INFORMATION, Continued

The Growth Council is administered by a twelve-member board comprised of three members from each participant. The six members who represent the Cities of Auburn and Lewiston are appointed by the Mayors of those cities. The other board members are appointed by their respective corporations.

The Growth Council's governing Board selects management staff, establishes budgets and controls all aspects of its operations. The City of Auburn is responsible through the budget process, to fund 25% of the annual anticipated operating needs of the Council.

In the fiscal year ended June 30, 2014, the City of Auburn did not contribute to the Growth Council.

The following is selected information for the years ending June 30, 2013 and June 30, 2012 (the latest information available):

	June 30, <u>2013</u>	June 30, <u>2012</u>
Total assets	\$ 1,928,143	\$ 2,354,608
Total liabilities	1,471,563	1,866,872
Net assets	456,580	487,736
Change in net assets	(31,156)	(43,855)

The Council derives the bulk of its revenues from the participants, but also receives some funds from federal and state grants. During the year ended June 30, 2013, revenues totaled \$570,628 while total expenditures amounted to \$601,784.

The separate audited financial statements of the Lewiston-Auburn Economic Growth Council may be obtained from the City's Finance Department.

Lewiston-Auburn Transit Committee

The Lewiston-Auburn Transit Committee is a joint venture of the Cities of Lewiston and Auburn. The Committee was formed for the purpose of planning and implementing short-term and long-term bus transit development, and to apply for and administer federal and state capital acquisition and operating assistance grants for mass transit benefiting the Lewiston-Auburn area. The Committee is made up of six members, three each from the Cities of Auburn and Lewiston, appointed by their respective City Councils. The Committee's governing board selects management staff, sets user charges, establishes budgets and controls all aspects of its operations.

For the fiscal year ended June 30, 2014, the City of Auburn contributed \$235,373 for operating expenses.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

IV. OTHER INFORMATION, Continued

The following is selected information for the years ending September 30, 2013 and September 30, 2012 (the latest information available):

	September 30, <u>2013</u>	September 30, <u>2012</u>
Total assets	\$ 2,164,692	\$ 2,314,385
Total liabilities	661,446	645,720
Net assets	1,503,246	1,668,665
Change in net assets	(165,419)	(393,468)

Total revenues for the year ended September 30, 2013 were \$1,603,670; expenditures were \$1,769,089, including depreciation on contributed assets of \$220,784.

The separate audited financial statements of the Lewiston-Auburn Transit Committee may be obtained from the City's Finance Department.

Lewiston-Auburn 9-1-1 Committee

The Lewiston-Auburn 9-1-1 Committee is a joint venture of the Cities of Auburn and Lewiston. Incorporated on January 26, 1978, the committee provides an emergency communication system for the Auburn-Lewiston area. The Committee is made up of seven members, the police and fire chiefs and one councilor from each city and a citizen-at-large from either city elected by those six members. The at-large member serves as Committee Chairman.

The committee's primary source of revenues consists of equal contributions from the Cities of Auburn and Lewiston. In the fiscal year ended June 30, 2014, the City of Auburn contributed \$1,030,802.

The following is selected financial information for the years ending June 30, 2014 and June 30, 2013 (the latest information available):

	June 30, <u>2014</u>	June 30, <u>2013</u>
Total assets and other debits	\$ 1,026,833	\$ 670,683
Total liabilities and other credits	549,941	315,119
Net position and other credits	476,892	355,564
Change in net position and other credits	121,328	(92,050)

Total revenues for the year ended June 30, 2014 were \$2,221,079; expenditures were \$2,099,751. The separate audited financial statements of the Lewiston-Auburn 9-1-1 Committee may be obtained from the City's Finance Department.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

IV. OTHER INFORMATION, Continued

Mid-Maine Waste Action Corporation

Mid-Maine Waste Action Corporation (MMWAC) is a joint venture of the City of Auburn and eleven other Maine municipalities. The Corporation was formed in March 1986 for the purpose of razing the old Auburn Energy Recovery Facility and constructing a regional waste to energy facility. MMWAC is governed by the provisions of its Articles of Incorporation and Bylaws, and by the interlocal agreement between MMWAC and each of the participating municipalities. Each of the participating municipalities has also entered into a Waste Handling Agreement with MMWAC pursuant to which the municipality is obligated to send all of its waste to MMWAC for the term of the agreement. The Corporation is administered by a twelve-member board comprised of one member from each participating municipality. Each member is entitled to one vote for all corporate business except for bonding which matures more than three years from the date of issuance and for adoption of the annual budget in which case votes are weighted by community population and requires an 85% majority for passage. The City of Auburn accounts for approximately 70% of the population of the twelve municipalities participating in MMWAC.

The following is selected financial information for MMWAC for the years ending June 30, 2013 and June 30, 2012 (the latest information available):

	<u>2013</u>	<u>2012</u>
Total assets	\$ 17,116,117	\$ 18,373,730
Total liabilities	352,547	361,455
Members' equity	16,763,570	18,012,275
Operating revenue	6,270,326	6,247,540
Operating expenses	5,894,444	5,690,568
Depreciation and amortization	1,658,520	1,665,764
Other expenses	26,391	-
Non operating revenue	60,324	66,967
Net income before depreciation and amortization	375,882	556,972
Net change in members equity	(1,248,705)	(1,041,825)

The Waste Handling Agreement obligates each member municipality to pay its "proportionate share" of all liabilities and expenses of MMWAC to the extent MMWAC does not have sufficient funds therefore. In September 1994 a consensus of the member communities concluded that the most cost effective method of funding MMWAC's obligations was for each of the member communities to issue general obligation debt to fund the communities' share of certain of MMWAC's obligations. Accordingly such debt was issued and the proceeds contributed to MMWAC to liquidate these obligations.

The separate audited financial statements of the MMWAC may be obtained from the City's Finance Department.

C. Subsequent Events

On October 30, 2014, the City of Auburn issued \$6,800,000 of non-taxable General Obligation Bonds for the Fiscal Year 2015 Capital Improvements. The interest rate on the bonds range from 2.00 – 4.00 percent and the maturity date is September 1, 2024.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

IV. OTHER INFORMATION, Continued

D. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all full-time municipal employees, permits them to defer a portion of their salary until future years. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The deferred compensation is not available to employees until termination of employment, unforeseeable emergency or retirement. In the event of an employee's death, the beneficiary is eligible to receive the full value of the account, including earnings.

E. Employee Retirement Systems and Plans

Defined Benefit Pension Plan

Plan Description. The City of Auburn contributes to the Consolidated Plan for Participating Local Districts (CPPLD) a cost-sharing multiple-employer defined benefit pension plan administered by the Maine Public Employees Retirement System (Maine PERS). Maine PERS is established and administered under the Maine PERS Laws, Title 5 M.R.S.A., C. 421, 423, 425. CPPLD provides retirement and disability benefits, annual cost-of living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State legislature. Maine PERS issues a publicly available financial report that includes financial statements and required supplementary information for the CPPLD. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy. Plan members are required to contribute 6.5% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The rate for the year ended June 30, 2014, is 6.5% of covered payroll for the regular plan and 7.9% of covered payroll for the special plan which covers police and fire employees. The contribution requirements of the plan members and the City are established by and may be amended by the Maine Public Employees Retirement System Board of Trustees. The City's contribution to the CPPLD for the years ending June 30, 2014, 2013, and 2012, \$714,403, \$622,065, and \$485,427, respectively, equal to the required contribution for each year.

Unfunded Actuarial Accrued Liability. Effective July 1, 1994, the City joined the CPPLD of the Maine Public Employees Retirement System (Maine PERS). Upon entry, the City ceased to be an individual sponsor of PLD #27 and instead became a participant in CPPLD. As a participant of the plan, the City was required to fund its remaining Initial Unfunded Unpooled Actuarial Liability (IUUAL) over a period of 15 years. At June 30, 2003, the remaining balance was \$1,088,521. In September 2003, the City issued taxable general obligation bonds for the purpose of extinguishing its IUUAL obligation and delivered to Maine PERS full payment for its obligation at that date. Subsequent to the delivery of bond proceeds, all investments became the responsibility of Maine PERS and any future investment gains and losses experienced by Maine PERS do not result in any additional payment by the City in regard to its extinguished IUUAL obligation.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

IV. OTHER INFORMATION, Continued

School Employees' Retirement Plan. Teachers and certain other School Department employees also participate in Maine PERS through the Teachers Retirement Plan, an agent, multiple employer, defined benefit pension plan. School employees participating in the Age 60 Plan are eligible for normal retirement upon attaining age 60 provided they have 25 years of creditable service. Employees are penalized 2.25% for each year of early retirement. School employees participating in the Age 62 Plan are eligible for normal retirement upon attaining age 62 provided they have 25 years of creditable service. Employees are penalized 6.0% for each year of early retirement. The authority to establish and amend benefit provisions rests with the State legislature. Maine PERS issues a publicly available financial report that includes financial statements and required supplementary information for the Teachers Retirement Plan. That report may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046.

Employees are required by State statute to contribute 7.65% of their compensation to the retirement system. As of July 1, 2013, as a result of the State of Maine Biennial budget, the City of Auburn Department of Education became responsible for approximately half the normal cost of the teacher's plan. This is 2.65% of earned compensation.

Contributions paid by the State to the plan for the years ending June 30, 2014, 2013, and 2012 were \$2,871,164, \$3,110,952, and \$2,992,015, respectively, equal to the required contribution for each year. The current year amount has been recognized as a revenue and expenditure/expense during the period.

Defined Contribution Pension Plan

The City contributes to the International City Manager's Money Purchase Plan, which is a defined contribution pension plan administered by the International City Manager's Association Retirement Corporation.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account. As established by council resolve, all municipal employees of the City have the option of participating in the plan or the Maine Public Employees Retirement System.

Contributions made by both the employee and the employer vest immediately. An employee who leaves the employment of the City is entitled to all contributions and earned income in his account at that time. Each employee must contribute a minimum of 5% of his or her gross earnings to the pension plan, while the City is required to contribute an amount equal to 6% of the employee's gross earnings.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

IV. OTHER INFORMATION, Continued

During the year, the City's required and actual contributions amounted to \$158,085, which was 5.4% of its current-year covered payroll. The covered payroll amounted to \$2,879,327. Employees' required contributions amounted to \$131,740, which was 4.6% of the City's current year covered payroll.

No pension provision changes occurred during the year that affected the required contributions to be made by the City or its employees.

The I.C.M.A. Money Purchase Plan held no securities of the City or other related parties during the year or as of the close of the year.

City Pension Plan

Plan Description. The City Pension Plan is a contributory single employer defined benefit pension plan, and covers certain police and fire employees who joined prior to the City's participation in the Maine PERS. Once the City elected to participate in the Maine PERS, employees were no longer eligible to join this plan.

A pensioner's benefit is adjusted annually based on the current compensation level of the position from which the pensioner retired.

At June 30, 2014, the plan consisted of 13 retirees and beneficiaries. The last active employee retired on March 31, 1992.

Funding Policy. No funds have been accumulated, nor are any funds expected to be accumulated for the payment of these benefits. All benefits are paid directly by the City as they come due.

Annual Pension Cost and Net Pension Obligation. The City's annual pension cost and net pension obligation for the year ended June 30, 2014, were as follows:

Interest on net pension obligation	\$ 37,899
Differences between expected and actual experience	47,849
<u>Changes of assumptions, including discount rate</u>	<u>47,862</u>
Annual pension cost	133,610
<u>Contributions made</u>	<u>(149,845)</u>
Increase (decrease) in net pension obligation	(16,235)
<u>Net pension obligation beginning of year</u>	<u>832,900</u>
 <u>Net pension obligation end of year</u>	 <u>\$ 816,665</u>

The annual required contribution for the current year was determined as part of the July 1, 2014 actuarial valuation using the Entry Age Normal Cost Method. The actuarial assumptions included (a) 3.50% discount rate and (b) 3.0% future benefit increases. The unfunded actuarial accrued liability is being recognized as a level dollar amount on a closed basis. The remaining amortization period at June 30, 2014 was 9 years.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

IV. OTHER INFORMATION, Continued

The following provides three-year trend information, a schedule of employee contributions and a schedule of funding programs for the City's pension plan.

Three-Year Trend Information

<u>Fiscal Year Ending June 30,</u>	<u>Annual Pension Cost</u>	<u>% of Annual Pension Cost Contributed</u>	<u>Net Pension Obligation</u>
2012	\$ 91,702	183%	861,133
2013	106,240	147%	832,900
2014	133,610	112%	816,665

Schedule of Employer Contributions

<u>Fiscal Year End</u>	<u>Actuarial Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
6/30/2004	\$ 195,334	115%
6/30/2005	196,372	110%
6/30/2006	196,129	113%
6/30/2007	205,136	107%
6/30/2008	212,154	87%
6/30/2009	191,601	98%
6/30/2010	206,838	93%
6/30/2011	239,226	75%
6/30/2012	244,464	69%
6/30/2013	289,758	54%
6/30/2014	149,845	100%

Funded status and funding progress. As of July 1, 2014, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 816,665
<u>Actuarial value of plan assets</u>	<u>-</u>
<u>Unfunded actuarial accrued liability (UAAL)</u>	<u>\$ 816,665</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ -
UAAL as a percentage of covered payroll	0%

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

IV. OTHER INFORMATION, Continued

Actuarial methods and assumptions. The ARC for the plan was determined as part of the July 1, 2013 actuarial valuation using the following methods and assumptions:

Discount Rate	3.50% per year
Investment Rate of Return	N/A
Retirement Age	All members are currently receiving benefits
Mortality	RP2000 Mortality Tables for Male and Female Retirees static projected to 2014 and fully projected thereafter
Disabled Mortality	None
Marriage Assumptions	None
Cost of living adjustments	3.00%

Other Post Employment Benefits

GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)*, was implemented, as required, by the City of Auburn for the year ended June 30, 2009. Under this pronouncement, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The City is a member of the Maine Municipal Employees Health Trust. The Trust is a multiple employer Voluntary Employee's Beneficiary Association. The City is an individually rated member within the Association. The Trust issues a publicly available financial report. That report may be obtained by writing to the Maine Municipal Association at 60 Community Drive, Augusta, ME 04332. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the City's OPEB liability under GASB Statement 45. An OPEB liability actuarial valuation was completed by the consultants in October 2013.

Plan Descriptions – In addition to providing pension benefits, the City provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage.

Funding Policy and Annual OPEB Cost – GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The City currently plans to fund these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits. The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

IV. OTHER INFORMATION, Continued

The following table represents the OPEB costs for the FY 2014, 2013, 2012, 2011, 2010, and 2009 and the annual required contribution:

	FY 2014	FY 2013	FY 2012	FY2011	FY2010	FY2009
Normal Cost	\$ 77,550	77,550	56,128	56,128	38,217	38,217
Amortization of Unfunded	196,031	196,031	217,081	217,081	163,649	163,649
Interest	42,858	34,550	25,991	17,281	10,035	3,997
Adjustment to ARC	(54,129)	(42,118)	(29,754)	(17,161)	(8,729)	-
Annual Required Contribution	<u>262,310</u>	<u>266,013</u>	<u>269,446</u>	<u>273,329</u>	<u>203,172</u>	<u>205,863</u>
Contributions Made	<u>(59,470)</u>	<u>(58,309)</u>	<u>(55,650)</u>	<u>(55,571)</u>	<u>(57,360)</u>	<u>(54,926)</u>
Increase in Net OPEB	<u>202,840</u>	<u>207,704</u>	<u>213,796</u>	<u>217,758</u>	<u>145,812</u>	<u>150,937</u>
Net OPEB Obligation – beginning of year	<u>936,007</u>	<u>728,303</u>	<u>514,507</u>	<u>296,749</u>	<u>150,937</u>	<u>-</u>
Net OPEB Obligation - end of year	<u>\$ 1,138,847</u>	<u>\$ 936,007</u>	<u>728,303</u>	<u>514,507</u>	<u>296,749</u>	<u>150,937</u>

The following table represents the OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2014 and the five preceding years. The City implemented GASB 45 effective with fiscal year ended June 30, 2009 and data for the year ended June 30, 2008 is not available.

Fiscal Year End	Annual OPEB Costs	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 205,863	26.68%	150,937
June 30, 2010	203,172	28.23%	296,749
June 30, 2011	273,329	20.33%	514,507
June 30, 2012	269,446	20.65%	728,303
June 30, 2013	266,013	21.91%	936,007
June 30, 2014	262,310	22.67%	1,138,847

Funding Status and Funding Progress – The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending June 30, 2014 and three preceding years are as follows:

	FY 2014	FY 2013	FY2012
Actuarial accrued liability	\$ 3,525,364	\$ 3,525,364	3,903,927
Plan assets	-	-	-
Unfunded actuarial accrued liability	<u>\$ 3,525,364</u>	<u>3,525,364</u>	<u>3,903,927</u>
Funded ratio	0%	0%	0%
Covered payroll	\$ 12,075,857	\$ 11,859,085	11,513,675
Unfunded actuarial accrued liability as a percentage of covered payroll	29.19%	29.73%	33.91%

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

IV. OTHER INFORMATION, Continued

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions – Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/13
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar open
Open amortization period	30 years
Discount Rate	4.0%
Rate of Salary Increases	3.0%
Ultimate Rate of Medical Inflation	4.25%

Health Care Cost Trend Rate - The trend rates of incurred claims represent the rate of increase in employer claim payments:

<u>Year</u>	<u>Pre-Medicare</u>	<u>Medicare-Eligible</u>
2013	8.91%	10.02%
2014	8.61%	9.65%
2015	8.30%	9.28%
2016	8.00%	8.90%
2017	7.69%	8.52%
2018	7.38%	8.14%
2019	7.07%	7.75%
2020	6.76%	7.37%
2021	6.45%	6.98%
2022	6.14%	6.60%
2023	5.82%	6.21%
2024	5.51%	5.82%
2025	5.19%	5.43%
2026	4.88%	5.03%
2027	4.57%	4.64%
2028+	4.25%	4.25%

Future Plan Changes – It is assumed that the current plan and cost-sharing structure remains in place for all future years.

Payroll Growth – For the level percentage of pay amortization method, total payroll is assumed to grow at 3.00% per year.

CITY OF AUBURN, MAINE
Required Supplementary Information
June 30, 2014

Schedule of Funding Progress

City Pension Plan

<u>Actuarial Valuation Date</u>	<u>Plan Assets</u>	<u>Actuarial Accrued Liability</u>
6/30/2005	\$ -	1,546,846
6/30/2006	-	1,509,819
6/30/2007	-	1,443,008
6/30/2008	-	1,189,800
6/30/2009	-	1,154,649
6/30/2010	-	1,176,354
6/30/2011	-	1,029,771
6/30/2012	-	1,039,516
6/30/2013	-	832,900
6/30/2014	-	816,665

Retiree Healthcare Plan

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) – Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a) /c]</u>
2009	1/1/09	\$ -	\$2,943,011	\$2,943,011	0.00%	\$11,162,860	26.36%
2010	1/1/09	-	2,943,011	2,943,011	0.00%	11,434,678	25.74%
2011	1/1/11	-	3,903,927	3,903,927	0.00%	11,287,917	34.59%
2012	1/1/11	-	3,903,927	3,903,927	0.00%	11,513,675	33.91%
2013	1/1/13	-	3,525,364	3,525,364	0.00%	11,859,085	29.73%
2014	1/1/13	-	3,525,364	3,525,364	0.00%	12,075,857	29.19%

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted either by law or by administrative action, to expenditure for particular purposes.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Frank Boomer – This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to benefit the poor and needy families of the City.

Ella Foss – This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to benefit the needy and indigent residents of the City for food, shelter, clothing and medical treatment.

George Stetson – This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to benefit the poor of the City.

Cemetery Perpetual Care – This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain various City cemeteries.

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CITY OF AUBURN, MAINE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS			
Investments	\$ 303,198	266,278	569,476
Receivables:			
Accounts	198,773	-	198,773
Loans receivable	1,520,404	-	1,520,404
Interfund receivables	373,544	-	373,544
Intergovernmental	1,071,626	-	1,071,626
Total assets	\$ 3,467,545	266,278	3,733,823
LIABILITIES			
Accounts payable	133,891	-	133,891
Accrued payroll and benefits payable	20,127	-	20,127
Interfund payables	2,153,757	3,559	2,157,316
Total liabilities	2,307,775	3,559	2,311,334
FUND BALANCES			
Nonspendable - long-term receivables	1,520,404	-	1,520,404
Nonspendable - principal	-	69,475	69,475
Restricted	1,344,243	193,244	1,537,487
Committed	355,605	-	355,605
Unassigned	(2,060,482)	-	(2,060,482)
Total fund balances	1,159,770	262,719	1,422,489
Total liabilities and fund balances	\$ 3,467,545	266,278	3,733,823

CITY OF AUBURN, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:			
Intergovernmental	\$ 6,546,819	-	6,546,819
Charges for services	495,538	-	495,538
Other revenue	119,397	-	119,397
Interest revenue	-	445	445
Total revenues	7,161,754	445	7,162,199
Expenditures:			
Current:			
General government	365,388	-	365,388
Public Safety	572,085	-	572,085
Culture and recreation	267,817	-	267,817
Public Works	2,905,653	-	2,905,653
Education	4,052,310	-	4,052,310
Miscellaneous	-	235	235
Debt service	134,941	-	134,941
Total expenditures	8,298,194	235	8,298,429
Net change in fund balances	(1,136,440)	210	(1,136,230)
Fund balances, beginning of year	2,296,210	262,509	2,558,719
Fund balances, end of year	\$ 1,159,770	262,719	1,422,489

CITY OF AUBURN, MAINE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

	City Special	School Special	211 Fairview	Parking	Parks and Recreation	Totals
ASSETS						
Investments	\$ 104,927	-	-	198,271	-	303,198
Receivables:						
Accounts	140,026	36,238	-	17,707	4,802	198,773
Loans receivable	1,520,404	-	-	-	-	1,520,404
Interfund receivables	-	69,940	-	-	303,604	373,544
Intergovernmental	537,543	534,083	-	-	-	1,071,626
Total assets	\$ 2,302,900	640,261	-	215,978	308,406	3,467,545
LIABILITIES						
Accounts payable	110,800	18,376	-	327	4,388	133,891
Accrued payroll and benefits payable	-	20,127	-	-	-	20,127
Interfund payables	1,423,389	-	566,304	164,064	-	2,153,757
Total liabilities	1,534,189	38,503	566,304	164,391	4,388	2,307,775
FUND BALANCES (DEFICITS)						
Nonspendable - long-term receivables	1,520,404	-	-	-	-	1,520,404
Restricted	742,485	601,758	-	-	-	1,344,243
Committed	-	-	-	51,587	304,018	355,605
Unassigned	(1,494,178)	-	(566,304)	-	-	(2,060,482)
Total fund balances (deficits)	768,711	601,758	(566,304)	51,587	304,018	1,159,770
Total liabilities and fund balances	\$ 2,302,900	640,261	-	215,978	308,406	3,467,545

CITY OF AUBURN, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014

	City Special	School Special	211 Fairview	Parking	Parks and Recreation	Totals
Revenues:						
Intergovernmental	\$ 2,552,951	3,993,868	-	-	-	6,546,819
Charges for services	85,482	-	-	130,202	279,854	495,538
Other income	119,065	-	-	332	-	119,397
Total revenues	2,757,498	3,993,868	-	130,534	279,854	7,161,754
Expenditures:						
Current:						
General government	207,381	-	-	158,007	-	365,388
Public Safety	572,085	-	-	-	-	572,085
Culture and recreation	33,156	-	-	-	234,661	267,817
Public Works	2,905,653	-	-	-	-	2,905,653
Education	-	4,052,310	-	-	-	4,052,310
Debt service	134,941	-	-	-	-	134,941
Total expenditures	3,853,216	4,052,310	-	158,007	234,661	8,298,194
Net change in fund balances	(1,095,718)	(58,442)	-	(27,473)	45,193	(1,136,440)
Fund balances (deficit), beginning of year	1,864,429	660,200	(566,304)	79,060	258,825	2,296,210
Fund balances (deficit), end of year	\$ 768,711	601,758	(566,304)	51,587	304,018	1,159,770

CITY OF AUBURN, MAINE
Combined Balance Sheet
Nonmajor Permanent Funds
June 30, 2014

ASSETS	
Investments	\$ 266,278
Total assets	266,278
LIABILITIES	
Interfund payables	3,559
Total liabilities	3,559
FUND BALANCES	
Nonspendable - principal	69,475
Restricted	193,244
Total fund balances	262,719
Total liabilities and fund balances	\$ 266,278

CITY OF AUBURN, MAINE
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the Year Ended June 30, 2014

Revenues:	
Investment income	\$ 445
Total revenues	445
Expenditures:	
Current:	
Other miscellaneous	235
Total expenditures	235
Net change in fund balances	210
Fund balances, beginning of year	262,509
Fund balances, end of year	\$ 262,719

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AGENCY FUNDS

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CITY OF AUBURN, MAINE
Statement of Changes in Assets and Liabilities
Fiduciary Funds
Agency Funds
For the Year Ended June 30, 2014

		Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS					
Cash and cash equivalents	\$	153,958	494,778	489,863	158,873
Total assets		153,958	494,778	489,863	158,873
LIABILITIES					
Amounts held for others		153,958	494,778	489,863	158,873
Total liabilities	\$	153,958	494,778	489,863	158,873

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TAX INCREMENT FINANCING FUND

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CITY OF AUBURN, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Tax Increment Financing Fund
For the Year Ended June 30, 2014

	TIF 4 Tambrands I	TIF 5 J Enterprises	TIF 6 Tambrands 2	TIF 7 J & A Properties	TIF 8 Formed Fiber	TIF 9 Mall Area	TIF 10 Downtown	TIF 11 Safe Handling	TIF 12 I Park	TIF 13 Auburn Plaza	TIF 14 & 15 Auburn Plaza II	TIF 16 Webster School	TIF 17 Bedard Pharmacy	Totals
Revenues:														
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures:														
Current:														
General government	425,672	-	71,887	-	30,476	-	-	-	-	127,256	718,207	27,295	29,464	1,430,257
Capital Outlay	-	-	-	-	-	370,151	68,229	-	-	-	-	-	-	438,380
Debt service	-	-	-	-	-	439,962	426,327	-	177,163	-	-	-	-	1,043,452
Total expenditures	425,672	-	71,887	-	30,476	810,113	494,556	-	177,163	127,256	718,207	27,295	29,464	2,912,089
Deficiency of revenues under expenditures	(425,672)	-	(71,887)	-	(30,476)	(810,113)	(494,556)	-	(177,163)	(127,256)	(718,207)	(27,295)	(29,464)	(2,912,089)
Other financing sources (uses):														
Transfers from other funds	425,672	-	71,887	-	30,476	351,161	706,081	-	139,049	302,991	499,956	27,295	29,464	2,584,032
Transfers to other funds	-	-	-	-	-	-	(500,000)	-	-	-	-	-	-	(500,000)
Total other financing sources (uses)	425,672	-	71,887	-	30,476	351,161	206,081	-	139,049	302,991	499,956	27,295	29,464	2,084,032
Net change in fund balances	-	-	-	-	-	(458,952)	(288,475)	-	(38,114)	175,735	(218,251)	-	-	(828,057)
Fund balances (deficit), beginning of year	(127,348)	14,500	(471,230)	2,558	105,066	306,422	1,264,410	50,184	(264,722)	1,016,701	(316,792)	360	389	1,580,498
Fund balances (deficit), end of year	\$ (127,348)	14,500	(471,230)	2,558	105,066	(152,530)	975,935	50,184	(302,836)	1,192,436	(535,043)	360	389	752,441

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Auburn, Maine's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Tables

Financial Trends

1-4

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

5-8

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

9-12

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

13-14

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

15-17

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

CITY OF AUBURN, MAINE
Net Position by Component
Last Ten Fiscal Years
From Government-wide Statement of Net Position

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	\$ 34,037,355	\$ 47,187,231	\$ 48,954,306	\$ 54,681,797	\$ 59,484,907	\$ 59,140,618	\$ 56,084,796	\$ 53,111,954	\$ 61,542,514	\$ 67,831,558
Restricted	3,804,784	4,094,386	3,574,150	3,446,488	3,765,201	4,607,888	11,707,875	10,879,129	11,871,042	11,793,625
Unrestricted	(4,374,264)	(2,347,823)	3,655,088	6,449,247	6,738,835	13,892,494	12,166,714	21,012,904	10,929,045	3,773,135
Total governmental activities net position	33,467,875	48,933,794	56,183,544	64,577,532	69,988,943	77,641,000	79,959,385	85,003,987	84,342,601	83,398,318
Business-type activities:										
Net investment in capital assets	345,741	344,398	390,008	416,684	1,033,634	928,388	829,060	781,208	708,368	548,461
Restricted	-	-	-	-	-	-	-	-	34,042	-
Unrestricted	156,985	183,842	168,242	189,487	296,012	326,230	353,997	651,420	594,157	575,898
Total business-type activities net position	502,726	528,240	558,250	606,171	1,329,646	1,254,618	1,183,057	1,432,628	1,336,567	1,124,359
Primary government:										
Net investment in capital assets	34,383,096	47,531,629	49,344,314	55,098,481	60,518,541	60,069,006	56,913,856	53,893,162	62,250,882	68,380,019
Restricted	3,804,784	4,094,386	3,574,150	3,446,488	3,765,201	4,607,888	11,707,875	10,879,129	11,905,084	11,793,625
Unrestricted	(4,217,279)	(2,163,981)	3,823,330	6,638,734	7,034,847	14,218,724	12,520,711	21,664,324	11,523,202	4,349,033
Total primary government net position	\$ 33,970,601	\$ 49,462,034	\$ 56,741,794	\$ 65,183,703	\$ 71,318,589	\$ 78,895,618	\$ 81,142,442	\$ 86,436,615	\$ 85,679,168	\$ 84,522,677

Table 2

CITY OF AUBURN, MAINE
Change in Net Position
Last Ten Fiscal Years
From Government-wide Statement of Activities

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
General government	\$ 9,670,878	\$ 8,637,448	\$ 12,052,878	\$ 13,595,025	\$ 12,782,124	\$ 11,366,632	\$ 13,450,586	\$ 14,680,105	\$ 13,391,002	\$ 12,031,662
Public safety	6,274,025	6,387,319	6,795,667	7,363,307	8,013,617	7,899,897	7,673,153	8,001,972	8,468,689	9,404,183
Health, welfare and recreation	1,679,385	1,719,937	1,758,864	3,331,984	2,225,779	2,068,401	2,072,398	2,117,014	2,266,012	2,172,119
Public works	5,837,814	4,765,921	6,046,292	4,943,719	6,554,513	6,013,582	9,876,176	6,059,774	8,086,620	12,427,048
Other agencies	2,881,660	2,963,430	2,949,122	3,154,009	3,277,800	3,099,855	3,278,312	3,389,283	3,560,926	3,400,687
Education	37,065,404	37,738,620	38,682,079	36,575,423	39,285,952	39,952,843	42,408,444	42,418,741	41,810,979	43,917,231
Unclassified	836,636	900,891	3,127,839	1,849,876	-	-	-	-	-	-
Interest on debt	1,928,429	2,468,116	1,699,824	1,306,563	1,983,816	1,706,264	1,646,166	758,377	2,418,356	122,068
Total governmental activities expenses	66,174,231	65,581,682	73,112,565	72,119,906	74,123,601	72,107,474	80,405,235	77,425,266	80,002,584	83,474,998
Business-type activities:										
Ingersoll Ice Arena	131,898	162,790	192,310	144,519	296,500	506,301	482,686	539,555	490,593	604,369
Norway Savings Bank Arena	-	-	-	-	-	-	-	-	-	525,814
Centralized School Lunch	-	-	-	-	-	-	-	-	1,421,308	1,312,651
Total business-type activities expenses	131,898	162,790	192,310	144,519	296,500	506,301	482,686	539,555	1,911,901	2,442,834
Total primary government expenses	66,306,129	65,744,472	73,304,875	72,264,425	74,420,101	72,613,775	80,887,921	77,964,821	81,914,485	85,917,832
Program Revenues										
Governmental activities:										
Charges for services:										
General government	962,712	276,319	234,353	148,023	1,240,811	1,204,104	710,124	532,771	480,870	456,624
Public safety	79,315	-	-	-	50,221	87,882	285,365	701,234	841,366	920,429
Health, welfare and recreation	255,933	228,780	160,146	257,162	286,052	290,936	287,013	308,403	318,635	279,854
Public works	-	-	-	-	-	-	50,334	3,158	2,674	1,549
Other agencies	-	-	-	-	-	-	-	-	-	-
Education	597,118	863,397	1,083,731	1,283,420	689,325	584,258	676,120	514,390	484,567	412,347
Operating grants and contributions	21,993,769	25,822,043	26,991,891	27,379,368	29,718,646	29,999,705	31,521,140	33,003,967	29,939,559	31,349,557
Capital grants and contributions	-	2,884,801	-	-	-	-	602,210	-	-	-
Total governmental activities program revenues	23,888,847	30,075,340	28,470,121	29,067,973	31,985,055	32,166,885	34,132,306	35,063,923	32,067,671	33,420,360
Business-type activities:										
Charges for services	169,090	185,113	218,333	191,828	330,268	425,328	424,614	433,375	669,015	1,139,096
Operating grants and contributions	-	-	-	-	-	-	-	-	1,159,343	1,090,354
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	169,090	185,113	218,333	191,828	330,268	425,328	424,614	433,375	1,828,358	2,229,450
Total primary government program revenues	24,057,937	30,260,453	28,688,454	29,259,801	32,315,323	32,592,213	34,556,920	35,497,298	33,896,029	35,649,810

CITY OF AUBURN, MAINE
Change in Net Position
Last Ten Fiscal Years
From Government-wide Statement of Activities

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (expense)/revenue:										
Governmental activities	\$ (42,285,384)	\$ (35,506,342)	\$ (44,642,444)	\$ (43,051,933)	\$ (42,138,546)	\$ (39,940,589)	\$ (46,272,929)	\$ (42,361,343)	(47,934,913)	(50,054,638)
Business-type activities	37,192	22,323	26,023	47,309	33,768	(80,973)	(58,072)	(106,180)	(83,543)	(213,384)
Total primary government net expense	(42,248,192)	(35,484,019)	(44,616,421)	(43,004,624)	(42,104,778)	(40,021,562)	(46,331,001)	(42,467,523)	(48,018,456)	(50,268,022)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes	40,819,989	44,679,412	45,422,662	44,232,811	41,640,678	41,158,334	42,962,974	43,192,698	42,759,291	44,522,766
Grants not restricted to specific programs	3,008,472	3,049,515	3,781,007	4,009,459	4,681,432	4,651,989	4,103,025	4,172,425	4,330,113	4,336,314
Unrestricted investment earnings	308,270	535,503	684,283	600,248	382,621	80,246	70,562	65,072	16,581	2,829
Miscellaneous revenues	4,878,144	2,707,831	1,978,852	2,603,404	1,534,722	1,707,975	1,013,764	230,549	166,802	248,446
Total governmental activities general revenues	49,014,875	50,972,261	51,866,804	51,445,922	48,239,453	47,598,544	48,150,325	47,660,744	47,272,787	49,110,355
Business-type activities:										
Unrestricted investment earnings	1,660	3,191	3,987	613	211	47	-	51	757	1,176
Total business-type activities general revenues	1,660	3,191	3,987	613	211	47	-	51	757	1,176
Total primary government	49,016,535	50,975,452	51,870,791	51,446,535	48,239,664	47,598,591	48,150,325	47,660,795	47,273,544	49,111,531
Change in Net Position										
Governmental activities	6,729,491	15,465,919	7,224,360	8,393,989	5,411,411	7,652,057	1,890,885	5,312,676	(662,126)	(944,283)
Business-type activities	38,852	25,514	30,010	47,922	723,475	(75,028)	(71,561)	(119,404)	(96,061)	(212,208)
Total primary government	\$ 6,768,343	\$ 15,491,433	\$ 7,254,370	\$ 8,441,911	\$ 6,134,886	\$ 7,577,029	\$ 1,819,324	\$ 5,193,272	(758,187)	(1,156,491)

Beginning FY 2009 Unclassified expenses were reclassified.

Table 3

CITY OF AUBURN, MAINE
Fund Balances
Last Ten Fiscal Years
From Governmental Funds Balance Sheet

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011 (a)	2012	2013	2014
General Fund										
Reserved*	\$ -	\$ 558,178	\$ 478,065	\$ 587,024	\$ 110,672	\$ 55,566	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Designated	1,066,274	1,291,770	1,224,436	1,790,409	2,337,962	1,737,562	-	-	-	-
Undesignated	3,587,200	5,088,428	7,898,295	8,783,174	8,405,631	9,599,911	-	-	-	-
Nonspendable	-	-	-	-	-	-	226,255	97,171	75	629,503
Restricted	-	-	-	-	-	-	2,679,579	1,840,047	2,449,945	1,969,754
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	1,087,851	942,172	1,154,572	812,886
Unassigned	-	-	-	-	-	-	9,108,868	10,734,773	8,775,150	8,651,216
Total general fund	\$ 4,653,474	\$ 6,938,376	\$ 9,600,796	\$ 11,160,607	\$ 10,854,265	\$ 11,393,039	\$ 13,102,553	\$ 13,614,163	12,379,742	12,063,359
All Other Governmental Funds										
Reserved	\$ 5,789,631	\$ 3,945,171	\$ 5,553,478	\$ 3,448,001	\$ 9,149,416	\$ 9,449,895	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,820,744	5,516,940	4,769,893	3,987,906	3,503,209	3,414,932	-	-	-	-
Capital project funds	7,157,634	9,719,595	13,480,577	10,147,915	5,082,615	5,545,423	-	-	-	-
Permanent funds	159,863	169,201	12,092	20,356	22,118	22,960	-	-	-	-
Nonspendable	-	-	-	-	-	-	5,922,783	5,813,531	5,712,143	5,628,850
Restricted	-	-	-	-	-	-	3,105,513	3,464,347	3,710,739	4,195,021
Committed	-	-	-	-	-	-	10,104,760	10,998,530	7,985,485	5,755,639
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(841,666)	(694,644)	(1,125,143)	(3,649,469)
Total all other governmental funds	\$ 15,927,872	\$ 19,350,907	\$ 23,816,040	\$ 17,604,178	\$ 17,757,358	\$ 18,433,210	\$ 18,291,390	\$ 19,581,764	16,283,224	11,930,041

* Includes reserves for long-term receivables which were part of Unreserved, Undesignated from 2003-2005.

(a) The City of Auburn adopted the provisions of GASB 54 for the year ended June 30, 2011, which changed the classifications of fund balances.

Table 4

CITY OF AUBURN, MAINE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 40,779,413	\$ 44,494,827	\$ 44,952,500	\$ 43,935,273	\$ 41,667,416	\$ 41,488,299	\$ 42,742,974	\$ 42,960,856	\$ 42,749,449	\$ 44,563,151
Intergovernmental	28,130,003	32,204,039	29,750,266	31,426,596	34,400,078	34,651,694	34,919,262	36,258,176	33,631,641	35,325,279
Licenses and permits	312,511	336,466	485,045	340,375	285,951	243,924	303,183	266,852	374,011	325,476
Charges for services	1,544,534	1,654,166	2,355,904	1,857,235	1,532,589	1,615,603	1,699,004	1,750,848	1,720,625	1,799,725
Other	2,096,686	2,173,518	2,323,048	2,656,878	2,365,212	2,095,873	1,710,401	1,191,668	854,889	601,599
Total revenues	<u>72,863,147</u>	<u>80,863,016</u>	<u>79,866,763</u>	<u>80,216,357</u>	<u>80,251,246</u>	<u>80,095,393</u>	<u>81,374,824</u>	<u>82,428,400</u>	<u>79,330,615</u>	<u>82,615,230</u>
Expenditures										
General government	9,232,637	8,718,247	11,380,493	13,074,585	10,908,351	11,947,264	11,666,157	12,532,558	11,881,126	11,362,793
Public safety	6,022,608	6,459,529	6,544,970	6,941,313	7,717,089	7,703,785	7,367,139	7,717,441	8,063,515	8,987,931
Health, welfare and recreation	1,614,052	1,759,136	1,690,272	1,807,107	1,986,595	1,800,326	1,847,549	1,876,392	2,022,319	1,937,404
Public works	4,404,716	4,240,085	4,439,555	4,836,864	4,574,186	4,058,000	4,191,424	4,285,363	4,524,288	7,611,817
Other agencies	2,881,660	2,963,430	2,949,122	3,154,009	3,277,800	3,099,855	3,278,312	3,389,283	3,560,926	3,400,687
Education	36,289,346	38,964,083	37,502,885	38,138,372	42,253,675	41,550,748	42,954,361	42,273,954	42,137,967	43,506,308
Unclassified	609,504	670,448	499,326	271,918	305,995	310,093	303,539	403,753	405,669	325,374
Self insurance	227,131	230,443	323,581	692,607	348,629	470,524	671,092	517,299	383,566	-
Capital projects	8,682,736	14,519,496	10,212,556	10,286,851	8,540,966	6,024,814	7,158,898	4,855,507	9,800,219	8,539,810
Debt Service:										
Principal	5,213,666	7,295,571	7,316,079	7,121,719	6,758,858	6,747,858	6,854,251	6,894,785	7,912,000	7,204,057
Interest expense	2,890,720	2,625,919	2,905,760	2,643,237	2,062,090	1,680,602	1,513,494	1,511,411	161,050	305,018
Total expenditures	<u>78,068,776</u>	<u>88,446,387</u>	<u>85,764,599</u>	<u>88,968,582</u>	<u>88,734,234</u>	<u>85,393,869</u>	<u>87,806,216</u>	<u>86,257,746</u>	<u>90,852,645</u>	<u>93,181,199</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,205,629)</u>	<u>(7,583,371)</u>	<u>(5,897,836)</u>	<u>(8,752,225)</u>	<u>(8,482,988)</u>	<u>(5,298,476)</u>	<u>(6,431,392)</u>	<u>(3,829,346)</u>	<u>(11,522,030)</u>	<u>(10,565,969)</u>

Table 4, cont.

CITY OF AUBURN, MAINE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other financing sources (uses)										
Proceeds - bonds	\$ 23,130,000	\$ 12,281,000	\$ 13,000,000	\$ 6,000,000	\$ 6,430,000	\$ 6,500,000	\$ 7,900,000	\$ 4,500,000	\$ 14,892,323	\$ 5,625,000
Proceeds - notes	-	1,010,307	-	-	-	-	1,024,625	-	-	84,458
Premium on issuance of debt	-	-	-	-	-	-	85,597	83,077	1,052,751	186,945
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(9,118,353)	-
Transfers in	3,497,933	3,514,367	3,475,757	3,089,839	2,500,434	2,345,005	2,190,819	2,215,395	2,345,053	2,084,032
Transfers out	(3,497,933)	(3,514,367)	(3,475,757)	(3,089,839)	(2,500,434)	(2,331,903)	(2,177,330)	(2,202,120)	(2,331,778)	(2,084,032)
Total other financing sources (uses)	<u>23,130,000</u>	<u>13,291,307</u>	<u>13,000,000</u>	<u>6,000,000</u>	<u>6,430,000</u>	<u>6,513,102</u>	<u>9,023,711</u>	<u>4,596,352</u>	<u>6,839,996</u>	<u>5,896,403</u>
Net change in fund balances	<u>\$ 17,924,371</u>	<u>\$ 5,707,936</u>	<u>\$ 7,102,164</u>	<u>\$ (2,752,225)</u>	<u>\$ (2,052,988)</u>	<u>\$ 1,214,626</u>	<u>\$ 2,592,319</u>	<u>\$ 767,006</u>	<u>\$ (4,682,034)</u>	<u>\$ (4,669,566)</u>
Debt service as a percentage of noncapital expenditures	11.68%	13.42%	13.53%	12.41%	11.00%	10.62%	9.95%	10.38%	9.96%	8.87%

Table 5

CITY OF AUBURN, MAINE
Assessed Value to Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal year	Assessed Value - Real Property	Assessed Value - Personal Property	Total Assessed Value	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value	Total Tax/ (Mil) Rate
2005	\$ 1,032,643,700	\$ 235,563,400	\$ 1,268,207,100	\$ 1,547,750,000	81.9%	29.38
2006	1,003,562,800	316,435,600	1,319,998,400	1,658,250,000	79.6%	30.48
2007	1,399,344,100	293,111,800	1,692,455,900	1,922,200,000	88.0%	24.35
2008	1,797,817,200	276,822,200	2,074,639,400	2,086,700,000	99.4%	19.28
2009	1,813,049,300	262,829,700	2,075,879,000	1,981,600,000	104.8%	18.41
2010	1,829,692,800	238,980,400	2,068,673,200	2,054,450,000	100.7%	18.31
2011	1,847,854,620	220,930,500	2,068,785,120	1,991,800,000	103.9%	19.30
2012	1,850,235,678	208,348,600	2,058,584,278	1,980,250,000	104.0%	19.39
2013	1,820,465,334	190,045,000	2,010,510,334	1,954,400,000	102.9%	19.59
2014	1,823,040,083	182,681,300	2,005,721,383	1,926,200,000	104.1%	20.43

Table 6

CITY OF AUBURN, MAINE
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	General Government		General Fund Debt Service		Education		Total Tax/ (Mil) Rate
2005	12.31	37.40%	5.57	18.97%	11.50	39.14%	29.38
2006	12.51	36.58%	5.80	19.05%	12.17	39.96%	30.48
2007	10.12	37.27%	4.56	18.74%	9.66	39.69%	24.35
2008	8.43	39.06%	3.44	17.83%	7.41	38.45%	19.28
2009	7.72	36.72%	3.41	18.53%	7.28	39.56%	18.41
2010	7.91	38.44%	3.28	17.90%	7.12	38.89%	18.31
2011	8.89	41.30%	3.29	17.07%	7.12	36.89%	19.30
2012	9.01	41.62%	3.31	17.07%	7.07	36.46%	19.39
2013	9.01	45.94%	3.20	16.36%	7.38	37.70%	19.59
2014	9.62	47.08%	3.15	15.43%	7.66	37.49%	20.43

During 2007 and 2008 a revaluation was initiated and phased in over the two year period.

Table 7

CITY OF AUBURN, MAINE
Principal Property Taxpayers
Current Year and Nine Years Ago
June 30, 2014

	Taxpayer	Business	Assessed Value	% of Total Tax Base	Cumulative %
1	Tambrands	Personal Products	\$ 72,718,500	3.63%	3.63%
2	Auburn Plaza, Inc	Regional shopping	30,364,600	1.51%	5.14%
3	Wal-Mart Real Estate	Retail	24,128,900	1.20%	6.34%
4	Central Maine Power Company	Electric Utility	23,681,489	1.18%	7.52%
5	Pioneer Plastics	Laminates	22,359,700	1.11%	8.64%
6	Gates Formed Fiber	Automotive Products	18,364,100	0.92%	9.55%
7	Cascades Auburn Fiber	Paper Reprocessor	14,643,300	0.73%	10.28%
8	FPL Energy Maine Hydro LLC	Electric Utility	14,569,100	0.73%	11.01%
9	Riverwatch LLC	Lodging	14,360,400	0.72%	11.73%
10	Lowes Home Centers	Retail	13,987,200	0.70%	12.42%
			<u>\$ 249,177,289</u>		

June 30, 2005

	Taxpayer	Business	Assessed Value	% of Total Tax Base	Cumulative %
1	Tambrands	Personal Products	\$ 100,026,000	8.28%	8.28%
2	PPC Acquisition Corp	Plastic Laminates	24,225,800	2.01%	10.29%
3	Wal-Mart Real Estate	Retail	20,832,800	1.73%	12.02%
4	Gates Formed Fiber	Automotive Products	16,051,800	1.33%	13.35%
5	Central Maine Power Company	Electric Utility	13,642,700	1.13%	14.48%
6	Cascades Auburn Fiber	Paper Reprocessor	13,574,700	1.12%	15.60%
7	General Electric Company	Electrical Components	13,089,600	1.08%	16.68%
8	FPL Energy, Maine Hydro LLC	Electric Utility	12,689,300	1.05%	17.73%
9	Greenland Vistas	Real Estate	11,939,000	0.99%	18.72%
10	International Paper	Cardboard Containers	10,409,800	0.86%	19.58%
			<u>\$ 236,481,500</u>		

Table 8

CITY OF AUBURN, MAINE
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal year	Gross Tax Levy	Abatements	Net Tax Levy	Collections In Current Year	Percent of Net Levy Collected	Collections in Later Years	Total Collections	Total Collections as a Percent of Net Levy
2005	\$ 37,378,635	\$ 254,933	\$ 37,123,702	\$ 36,348,878	97.91%	\$ 703,445	\$ 37,052,323	99.81%
2006	40,488,967	369,260	40,119,707	38,994,735	97.20%	1,076,571	40,071,306	99.88%
2007	41,211,301	350,703	40,860,598	39,748,652	97.28%	1,075,623	40,824,275	99.91%
2008	39,999,048	199,632	39,799,416	37,963,612	95.39%	1,778,051	39,741,663	99.85%
2009	38,216,932	139,750	38,077,182	36,718,256	96.43%	1,310,687	38,028,943	99.87%
2010	37,999,926	219,262	37,780,664	36,929,246	97.75%	772,455	37,701,701	99.79%
2011	39,984,486	192,788	39,791,698	38,721,670	97.31%	658,055	39,379,725	98.96%
2012	39,948,404	118,447	39,829,957	38,713,505	97.20%	329,858	39,043,363	98.03%
2013	39,455,557	123,605	39,331,952	38,262,685	97.28%	597,471	38,860,156	98.80%
2014	40,987,430	68,614	40,918,816	39,821,057	97.32%	-	39,821,057	97.32%

Table 9

CITY OF AUBURN, MAINE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal year	Governmental Activities			Business-type Activities			Total Long-term Debt	Total Long-term Debt	Ratio of Total Debt		Per Capita Net of State Subsidy
	General Obligation Bonds	Notes	Total Long-term Debt	General Obligation Bonds	Notes	Total Long-term Debt		Net of State Subsidy	To Assessed Value	Per Capita	
2005	\$60,043,000	\$ 205,668	\$ 60,248,668	\$ 80,008	-	\$ 80,008	\$60,328,676	\$ 56,712,684	4.8%	2,556.08	2,402.88
2006	67,817,000	1,170,200	68,987,200	53,342	-	53,342	69,040,542	55,575,884	5.2%	2,925.20	2,354.71
2007	72,629,000	745,801	73,374,801	26,676	-	26,676	73,401,477	60,160,522	4.3%	3,109.97	2,548.96
2008	70,267,000	618,562	70,885,562	-	-	-	70,885,562	57,617,931	3.4%	3,003.37	2,441.23
2009	67,925,000	495,078	68,420,078	-	-	-	68,420,078	52,369,513	3.3%	2,898.91	2,218.86
2010	65,973,000	371,595	66,344,595	-	-	-	66,344,595	50,080,604	3.2%	2,877.67	2,172.22
2011	65,461,000	692,675	66,153,675	-	-	-	66,153,675	48,634,442	3.2%	2,869.39	2,109.50
2012	61,239,000	598,596	61,837,596	-	-	-	61,837,596	51,652,300	3.0%	2,682.18	2,240.39
2013	59,534,323	504,518	60,038,841	-	-	-	60,038,841	53,811,066	2.9%	2,604.16	2,334.03
2014	56,826,591	494,897	57,321,488	-	-	-	57,321,488	51,238,970	2.9%	2,486.29	2,222.47

Table 10

CITY OF AUBURN, MAINE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal year	General Obligation Bonds	To Estimated Actual Value	Per Capita	Total Governmental Activity Debt	Per Capita Net of State Subsidy
				Net of State Subsidy	
2005	60,043,000	3.9%	2,543.98	56,507,016	2,404
2006	67,817,000	4.1%	2,873.36	54,405,684	2,734
2007	72,629,000	3.8%	3,077.24	59,414,721	2,939
2008	70,267,000	3.4%	2,977.16	56,999,369	2,840
2009	67,925,000	3.3%	2,877.93	51,874,435	2,198
2010	65,973,000	3.2%	2,795.23	49,709,009	2,122
2011	65,461,000	3.2%	2,839.34	47,941,767	2,079
2012	61,239,000	3.0%	2,656.21	51,053,704	2,214
2013	59,534,323	2.9%	2,604.16	53,306,548	2,312
2014	56,826,591	2.9%	2,486.29	50,744,073	2,201

Table 11

CITY OF AUBURN, MAINE
Direct and Overlapping Governmental Activities Debt
Last Ten Fiscal Years

Fiscal Year	Direct Debt - City of Auburn	Direct Debt - Androscoggin County	Auburn's Share of Androscoggin County Debt	Overlapping Debt - Androscoggin County	Direct and Overlapping Debt		
					Total Debt	Percent of Assessed Value	Per Capita
2005	\$ 60,043,000	\$ 1,855,000	26.33%	\$ 488,422	\$ 60,531,422	4.77%	\$ 2,565
2006	67,817,000	1,410,000	25.22%	355,602	68,172,602	5.16%	2,888
2007	72,629,000	965,000	25.75%	248,488	72,877,488	4.31%	3,088
2008	70,267,000	516,800	25.75%	133,076	70,400,076	3.39%	2,983
2009	67,925,000	75,000	23.72%	17,788	67,942,788	3.27%	2,879
2010	65,973,000	-	24.47%	-	65,973,000	3.19%	2,795
2011	66,153,675	-	24.47%	-	66,153,675	3.20%	2,869
2012	61,837,596	-	24.64%	-	61,837,596	3.00%	2,682
2013	60,038,841	-	24.64%	-	60,038,841	2.99%	2,604
2014	57,321,488	-	25.36%	-	57,321,488	2.86%	2,486

CITY OF AUBURN, MAINE
Legal Debt Management
Last Ten Years
Computation of Legal Debt Margin
June 30, 2014

Historical Legal Debt Margin Last Ten Fiscal Years

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Table 13

CITY OF AUBURN, MAINE
Demographic and Economic Statistics
Last Ten Calendar Years

Fiscal Year	(1) Population	(2) Total Personal Wages	Per Capita Personal Wages	(2) Annual Average Unemployment Rate
2005	23,602	\$ 500,172,959	\$ 21,192	4.4%
2006	23,602	524,603,224	22,227	4.4%
2007	23,602	516,644,872	21,890	4.5%
2008	23,602	525,502,169	22,265	4.6%
2009	23,602	486,782,327	20,625	8.9%
2010	23,055	799,501,290	34,678	7.9%
2011	23,055	811,097,955	35,181	7.8%
2012	23,055	827,005,905	35,871	7.2%
2013	23,055	834,406,560	36,192	7.8%
2014	23,055	853,449,990	37,018	5.5%

(1) Source: US Census Bureau

(2) Source: Maine Department of Labor

Table 14

CITY OF AUBURN, MAINE
Principal Non-Governmental Employers
Current Year and Nine Years Ago
June 30, 2014

Rank	Employer	Total Number of Employees	Percent of Total Employees
1	Wal-Mart Supercenter	559	4.8%
2	Tambrands Inc.	544	4.7%
3	Lepage Bakeries	515	4.5%
4	Pioneer Plastics	502	4.3%
5	Gates Formed Fiber Products	446	3.9%
6	Clover Living Center	265	2.3%
7	Hannaford	182	1.6%
8	General Electric	161	1.4%
9	Shaw's Supermarkets	156	1.3%
10	Thomas Moser Cabinetmakers	128	1.1%
	All Other Employers	8,103	70.1%
	Total Employees	11,561	

Principal Non-Governmental Employers
June 30, 2005

Rank	Employer	Total appr. number of employees	Percent of Total Employees
1	Pioneer Plastics Corp.	619	4.0%
2	Tambrands	525	3.4%
3	Gates Formed Fibre	450	2.9%
4	Clover Manor Inc.	305	2.0%
5	General Electric	300	1.9%
6	Shaw's Supermarket	240	1.5%
7	Wal-Mart Associates	230	1.5%
8	Hannaford Bros.	190	1.2%
9	Advantage Business Services	180	1.2%
10	Auburn Shoe	175	1.1%
	All Other Employers	12,315	79.3%
	Total Employees	15,529	

Source: Maine Department of Labor

Table 15

CITY OF AUBURN, MAINE
Number of Employees
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Health, Welfare & Recreation	Public Services	Education	Ice Arena	Total
2005	38.00	116.50	11.50	69.00	638.40	1.00	874.40
2006	38.25	119.50	11.00	70.00	628.80	1.00	868.55
2007	41.50	120.00	10.00	69.00	623.30	1.00	864.80
2008	40.75	120.50	12.00	69.00	645.00	1.00	888.25
2009	42.50	117.50	11.50	62.00	614.00	1.00	848.50
2010	40.00	125.00	13.00	55.00	589.00	2.00	824.00
2011	44.00	117.00	20.00	53.00	679.00	2.00	915.00
2012	42.00	123.00	14.00	55.00	585.00	2.00	821.00
2013	45.00	124.00	5.00	55.00	585.00	2.00	816.00
2014	39.00	128.00	5.00	59.00	564.00	5.00	800.00

Source: Various City departments

Table 16

CITY OF AUBURN, MAINE Demand for Level of Service Last Ten Fiscal Years						
	General Government	Public Safety	Health, Welfare & Recreation	Public Works	Education	Ice Arena
	Service Units:	Service Units:	Service Units:	Service Units:	Service Units:	Service Units:
Fiscal Year	City Population	Police / Fire No. of Service Calls	Libraries / Parks / Cemeteries Maintained	Miles of Road Maintained	No. of Students	Hours of Ice Time Rented
2005	23,602	27,974 / 4,109	1 / 16 / 18	223	3,478	1,116
2006	23,602	29,536 / 4,306	1 / 16 / 18	223	3,399	1,026
2007	23,602	28,741 / 4,222	1 / 16 / 18	223	3,497	991
2008	23,602	28,960 / 4,137	1 / 19 / 16	226	3,534	915
2009	23,602	24,282 / 3,877	1 / 19 / 16	226	3,534	1,540
2010	23,055	22,186 / 3,196	1 / 19 / 16	225	3,568	2,121
2011	23,055	23,924 / 3,365	1 / 19 / 16	225	3,634	1,684
2012	23,055	26,195 / 3,545	1 / 19 / 17	237	3,650	1,798
2013	23,055	24,110 / 3,560	1 / 19 / 17	237	3,744	1,798
2014	23,055	26,626 / 3,535	1 / 19 / 17	237	3,623	1,832

Source: Various City departments

Table 17

CITY OF AUBURN, MAINE
Capital Assets Statistics - Net Book Value
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Health, Welfare & Recreation	Public Works	Education	Ice Arenas
2005	\$ 21,129,290	\$ 1,961,819	\$ 3,210,913	\$ 39,515,536	\$ 15,436,665	\$ 425,749
2006	24,467,276	1,909,891	3,246,882	40,030,178	25,991,089	397,740
2007	24,988,416	2,101,812	3,215,236	43,740,199	25,991,089	416,684
2008	24,228,799	2,469,571	3,731,189	51,477,507	26,525,978	416,684
2009	23,607,655	2,203,282	3,655,392	57,109,583	27,619,073	1,033,634
2010	28,824,479	2,109,338	8,982,225	51,600,320	27,133,850	928,388
2011	30,016,043	1,954,048	8,743,446	49,696,710	27,098,225	829,059
2012	33,680,128	1,844,090	8,507,608	47,535,463	27,830,918	729,731
2013	34,145,986	2,020,995	6,001,834	46,166,780	27,536,761	630,402
2014	32,439,570	1,806,175	5,813,288	49,100,585	28,482,183	471,624

Source: Various City departments

November 24, 2014

To the Audit Committee
City of Auburn, Maine

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Auburn, Maine for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 21, 2014 and in our meeting with the Audit Committee on June 9, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and OMB Circular A-133

As stated in our engagement letter dated April 21, 2014, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the City of Auburn, Maine's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the City of Auburn, Maine's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the City of Auburn, Maine's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the City of Auburn, Maine's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City of Auburn, Maine's compliance with those requirements.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Auburn, Maine are described in the notes to financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the City of Auburn, Maine during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

- Management's estimate of the historical cost of certain assets, including infrastructure, and the related depreciation expense, which is based on the estimated useful lives of assets. If historical cost of an asset was unknown, the cost was estimated based on current replacement costs indexed for inflation.
- Management's estimates of the allowance for CDBG loan receivables, which is based on historical collection rates.
- Management's estimates of the other post employment benefits liability, which is based on actuarial calculations.
- Management's estimates of the landfill postclosure care liability, which is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2014.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements, some of which were material (see attached schedule of "Adjusting Journal Entries").

Additionally, the attached schedule entitled "Passed Adjusting Journal Entries" summarizes an uncorrected misstatement within the financial statements. Management has determined that the effect of this entry is immaterial to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the attached management representation letter dated November 24, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City of Auburn, Maine's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Auburn, Maine's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and schedule of funding progress for retiree healthcare plan and city pension plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards and the combining and individual fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on introductory material or statistical data, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the City Council, School Committee, Audit Committee and management of the City of Auburn, Maine and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, reading "Remya Hudson Ouellette". The signature is written in a cursive, flowing style.

**City of Auburn
Adjusting Journal Entries
6/30/2014**

	Account Number	Account	Debit	Credit
1)	10222061-611000	PD Wages	94,158.72	
	20382265-656101	CAT Team		94,158.72
	<i>(to correct posting of wages)</i>			
2)	20332261-613022	School Safety COPS Grant	56,066.61	
	10222061-611000	PD Wages		41,723.59
	10117061-617000	Health Insurance		10,264.80
	10117061-617001	Medicare		632.47
	10117061-617004	MSRS		3,445.75
	<i>(to correct posting of wages)</i>			
3)	2046-037000	Ctrl Total - Encumbrances		17,430.79
	2046-037201	Ctrl Total - Bud FB Des	17,430.79	
	2046-037301	Ctrl Total - Bud FB Undes		73,535.81
	2046-047000	Ctrl Total - Revenues	123,303.00	
	2046-057000	Ctrl Total - Expenditures		139,952.43
	2046-057001	Ctrl Total - Appropriations	73,535.81	
	2046-037103	FB Restricted City	16,649.43	
	<i>(to correct closeout of FB)</i>			
4)	1931-037120	FB Unassigned - Flag Donations		5,597.95
	1931-047000	Control - Revenue	5,597.95	
	<i>(to correct closeout of FB)</i>			
5)	20032265-656101	Byrne Jag 2011	939.80	
	20032240-440001	Byrne Jag 2011		939.80
	10222062-629000	Police Training	52.18	
	20032265-656101	Byrne Jag 2013		52.18
	<i>(to correct posting error - PBC)</i>			
6)	20201140-440001 CD001	CDBG Grant Revenue	15,244.46	
	20201540-440001 H001	HOME Grant Revenue		15,244.46
	<i>(to correct revenue charged between the two HUD programs to match expenditures)</i>			
7)	10103063-632000	Economic Development	36,154.50	
	1000-024210	A/P		36,154.50
	<i>(to record AP)</i>			
8)	10221062-628020	Fire - Vehicle Repairs	29,295.98	
	1000-024210	A/P		29,295.98
	<i>(to record AP)</i>			
9)	6000-012410	Machinery & Equip	52,600.00	
	60006029-650099	Loss on Sale of Property		52,600.00
	6000-012900	Accumulated Depreciation	321,764.82	
	60006029-650099	Loss on Sale of Property	367,731.22	
	6000-012410	Machinery & Equip		689,496.04
	6000-012900	Accumulated Depreciation	15,000.00	

	6000-012410	Machinery & Equip		15,000.00
	<i>(to record sale and removal of fixed assets)</i>			
10)	1902-011530	A/R		43,648.80
	1902-011500	Loans Receivable	17,766.51	
	19021929-429006	Reim Debt	25,882.29	
	<i>(to reverse posting of loan payments not received)</i>			
11)	2040-011530	Accounts Receivable	34,375.20	
	20405920-402800	Cable Revenue		34,375.20
	<i>(to record AR)</i>			
12)	2020-011511	Loans Rec-Home Buyer		84,379.64
	20201910-690045	Homebuyer assistance	84,379.64	
	2020-011512	Loan Rec-Home Rehab	11,097.50	
	20201930-690045	Homeowner Rehab Loan		11,097.50
	2020-011509	Home Down Payment		15,500.00
	20201910-690044	Home Buyer Assistance	15,500.00	
	2020-011514	Security Deposits	27,247.56	
	20201955-690068	Security Deposits		27,247.56
	2020-011553	NSP-Letter of Credit	44,766.00	
	2020-024823	NSP-Unearned Grant Revenue		44,766.00
	2020-011507	Loan Rec-Commercial	15,000.00	
	20200911-690084	Small Business Loans		15,000.00
	20201930-690045	Homeowner Rehab Loan		61,239.55
	2020-011512	Loan Rec-Home	61,239.55	
	20200000-690019	CDBG Bad Debt	11,376.19	
	20201561-690019	Home Bad Debt	13,767.28	
	2020-011540	Allowance for Uncollect		25,143.47
	<i>(to correct posting of CDBG activity)</i>			
13)	2008-011530	A/R	105,651.57	
	20082240-440001	Federal Grant		105,651.57
	<i>(to record AR)</i>			
14)	19041564-628019	Misc expenditure	2,748.78	
	1904-011530	A/R		2,748.78
	20000062-628000	Misc expenditure	5,501.07	
	2000-011530	A/R		5,501.07
	60006020-420902	Ice Rental	430.00	
	6000-011530	A/R		430.00
	<i>(to write off old, uncollectible AR)</i>			
15)	2005-011530	Accounts Receivable	536,602.67	
	20051030-430413	Court St Slip Lane		139,566.23
	20051030-430417	Court St/Great Falls		70,070.31
	20051030-430419	S Main St		141,023.70
	20051030-430415	Helm Bridge		35,492.01
	20051030-430421	Park Ave/Mt Auburn Intersection		86,453.62
	20051030-430424	Park Ave Phase II		30,748.50
	20051030-430427	Route 4		33,248.30
	<i>(to record AR)</i>			

Auburn School Department
Adjusting Journal Entries
6/30/2014

	Account Number	Account	Debit	Credit
1)	1000-0000-0000-11020-000-00-00-00	Cash - Payroll Checking	319,095.75	
	1000-0000-0000-24625-000-00-00-00	MePERS Employer Deduction 2.65%		319,095.75
		<i>(to reclass posting of EFT not submitted until July,</i>		
2)	4000-0000-0000-24210-000-00-00-00	Accounts Payable		491,197.45
	4000-0000-2690-54500-060-07-00-26	Construction Services - Fairview	98,433.95	
	4000-0000-2690-54500-070-10-00-26	Construction Services - AMS	71,582.50	
	4000-0000-2690-54500-070-10-00-26	Construction Services - AMS	321,181.00	
		<i>(to record A/P)</i>		
3)	2000-0000-0000-23000-000-00-00-00	Accrued Payable	10,972.17	
	2400-0000-0000-23000-000-00-00-00	Accrued Payable	18,291.90	
	2000-1100-1000-56100-300-13-00-53	Agriculture Grant: Supplies		452.66
	2000-2800-2160-56000-950-00-00-24	General Supplies OT - Other Spcl Progra		47.50
	2000-8000-0000-56100-950-00-00-00	CLC Instructional Supplies		2,170.76
	2000-8000-0000-56100-950-00-00-00	CLC Instructional Supplies		2,138.09
	2000-1100-1000-56100-030-03-00-40	Title IA Instructional Supplies - SH		215.63
	2000-1100-1000-53000-020-04-00-40	Title IA Purchased Prof Svcs - Wash		1,050.00
	2000-2800-2160-56000-950-00-00-24	General Supplies OT - Other Spcl Progra		151.90
	2000-2200-1000-56100-990-00-00-28	L.E. - Inst Supplies - SOS		98.99
	2000-1100-1000-56100-010-01-00-40	Title IA Instructional Supplies - EA		1,558.49
	2000-2200-1000-56100-990-00-00-28	L.E. - Inst Supplies - SOS		49.60
	2000-0000-2213-53300-950-00-00-00	Reading Recovery-Professional Develop		295.00
	2400-8000-0000-56100-950-00-00-00	CLC Sustainability Supplies		2,061.93
	2000-2800-2160-56000-950-00-00-24	General Supplies OT - Other Spcl Progra		651.62
	2000-1100-1000-56100-300-13-00-53	Agriculture Grant: Supplies		30.00
	2400-8000-2700-55100-950-00-00-00	CLC Sustainability Student Transport S		7,840.19
	2400-8000-0000-56100-950-00-00-00	CLC Sustainability - Supplies		7,486.90
	2400-8000-0000-56100-950-00-00-00	CLC Sustainability - Supplies		255.50
	2400-0000-0000-56300-030-03-00-46	Food - Sherwood		81.15
	2400-8000-0000-58000-950-00-00-00	CLCS:Other expenditures		349.00
	2400-8000-0000-58000-950-00-00-00	CLCS:Other expenditures		500.00
	2400-8000-0000-58000-950-00-00-00	CLCS:Other expenditures		1,700.00
	2400-0000-0000-56100-060-07-00-46	Instructional Supplies - Fairview		34.86
	2400-0000-0000-56300-060-07-00-46	Food - Fairview		44.30
		<i>(to reverse posting of occrued expenses)</i>		
4)	2000-0000-0000-12200-000-00-00-00	Accounts Receivable		8,132.58
	2000-0000-0000-44562-000-00-00-00	Local Entitlement	999.61	
	2000-0000-0000-44110-010-00-00-00	Community Learning Center - DOE	4,308.85	
	2000-0000-0000-44517-000-00-00-40	Title IA	2,824.12	
		<i>(to reverse posting of grant A/R)</i>		
5)	6000-0000-0000-12410-000-00-00-00	Capital Assets - Central Lunch - Equip	7,775.00	
	6000-0000-3140-56027-900-60-00-60	Maint. Misc		7,775.00
		<i>(to record Lunch fixed ossets)</i>		
6)	9130-0000-0000-11010-000-00-00-00	ELHS Student Activities Cash Account	4,234.11	
	9130-0000-0000-11011-000-00-00-00	ELHS Scholarship/CD Account - Cash		4,223.89
	9130-0000-0000-11900-000-00-00-00	Student Activity Cash Clearing		10.22
		<i>(to record entry provided by client)</i>		

7)	6000-0000-3140-57900-900-60-00-60	Depreciation Expense - Central Lunch	8,903.85	
	6000-0000-0000-12420-000-00-00-00	Accumulated Depreciation		8,903.85
		<i>(to record Lunch depreciation)</i>		
8)	1000-1200-1030-51011-300-13-00-26	Salary / Teacher Math - ELHS		17,376.91
	1000-1200-1030-52110-300-13-00-26	Health - EL Math		2,248.28
	1000-1200-1030-52212-300-13-00-26	Medicare - EL Math		236.85
	1000-1200-1030-52311-300-13-00-26	MSRS 2.65%		460.53
	1000-4900-1000-51011-990-13-00-26	Salary / Teacher G&T - ELHS	17,376.91	
	1000-4900-1000-52110-990-13-00-26	Health - Teach/Guid/Nurse/Library	2,248.28	
	1000-4900-1000-52212-990-13-00-26	Medicare - Teach-Gifted and Talented	236.85	
	1000-4900-1000-52311-990-13-00-26	MePers 2.65%	460.53	
		<i>(to reclass V. Ackley's salary/benefits from Math to G&T)</i>		

Auburn School Department
Passed Adjusting Journal Entries
6/30/2014

	Account Number	Account	Debit	Credit
1)	1000-0000-0000-11810-000-00-00-00	Prepaid expenditures		44,456.49
	1000-0000-5100-58320-040-19-00-26	Interest/State Appr Bonds & Notes <i>(to reclass posting of debt payment)</i>	44,456.49	

City of Auburn, Maine

"Maine's City of Opportunity"

Finance Department

November 24, 2014

Runyon Kersteen Ouellette
20 Long Creek Drive
South Portland, Maine 04106

This representation letter is provided in connection with your audit of the financial statements of the City of Auburn, Maine, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 24, 2014, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 21, 2014, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the City Council and School Committee or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the City and involves:
 - Management
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, analysts, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

Government - specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous audits, attestation engagements, or other studies related to the audit objectives and whether related recommendations have been implemented.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 27) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 28) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting noncompliance.

- 30) As part of your audit, you assisted with preparation of the School Department financial statements and related notes, the schedule of expenditures of federal awards, and adjusting journal entries. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
- 31) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 32) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 33) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 34) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 35) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 36) Components of net position (net investment in capital assets; restricted; and unrestricted), and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 37) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 40) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 42) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 43) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and if applicable, depreciated.
- 44) We have appropriately disclosed the City of Auburn, Maine's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 45) We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.

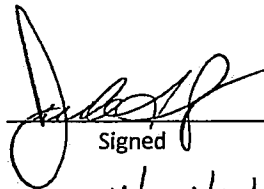
- 46) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 47) With respect to the schedule of federal expenditures and the combining and individual fund schedules:
- a) We acknowledge our responsibility for presenting the supplementary information listed above in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information listed above have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the supplementary information listed above is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 48) With respect to federal award programs:
- a) We are responsible for understanding and complying with and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of OMB Circular A-133 §310.b. and we believe the SEFA, including its form and content, is fairly presented in accordance with the Circular. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
 - c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the supplementary information and the auditor's report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133 and have included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - e) We are responsible for understanding and complying with, and have complied with in all material respects, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program.

- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control over compliance or other factors to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to control deficiencies reported in the schedule of findings and questioned costs, is adequate and is functioning as intended.
- g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material requirements of federal awards.
- j) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in *OMB Circular A-87, Cost Principles for State, Local, and Tribal Governments*, and *OMB's Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.

- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of OMB Circular A-133.
- u) We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
- v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w) We have charged costs to federal awards in accordance with applicable cost principles.
- x) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.
- z) We are responsible for preparing and implementing a corrective action plan for each audit finding.


Signed

11/24/14
Date


Signed

11/24/14
Date

Signed

Date

November 24, 2014

To the Management of the
City of Auburn, Maine:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Auburn, Maine as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Auburn, Maine's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Auburn, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Auburn, Maine's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency in Arena and Recreation segregation of duties to be a significant deficiency.

Additionally, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. They have been identified in the attached *Schedule of Comments and Responses*.

This communication is intended solely for the information and use of management, City Council, School Committee, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Management of the
City of Auburn, Maine
Page 2

We wish to express our appreciation for the cooperation and assistance we received from the officials and employees of the City of Auburn, Maine, including the Department of Education, during the course of our audit. We will review the status of these comments during our next audit engagement. We have already discussed these issues with various City and School personnel, and we will be pleased to discuss it in further detail at your convenience, or to assist you in implementing the recommendations.

Very truly yours,

A handwritten signature in black ink, reading "Remya Kristen Ouellette". The signature is written in a cursive, flowing style.

CITY OF AUBURN, MAINE
Schedule of Comments and Responses
June 30, 2014

SIGNIFICANT DEFICIENCY

Segregation of Duties – Arena and Recreation

During our testing of Arena and Recreation cash receipts, we found there is a lack of segregation of duties in the receiving, depositing and recording of cash receipts. To provide effective control, it would be necessary to separate each of these duties. At the present time, the cashier's duties include all of these functions to some degree. During subsequent conversations, it is apparent that at this time, it is not possible to separate each of these duties. It would appear advisable to at least set up some form of control over cash receipts, such as a list of remittances received to be prepared at the time the mail is opened, use of prenumbered receipts, and reconciling cash registers to the register tape. All of these tasks would be completed by an employee other than the one preparing the deposit.

Management's response/corrective action plan: As soon as this was brought to the attention of staff, procedures were implemented to correct this issue. Currently one staff member closes out the cash register daily and reconciles the cash receipts to the tape. This same employee opens all mail and lists each check in a check log as it is received. This employee initials all work and then gives the work to the administrative assistant, who makes out the deposit. We will continue to monitor the cash receipts process and refine as necessary with the limited staff.

OTHER COMMENTS

School Activity Funds

During our testing of activity funds, we noticed that there are activity funds that do not appear to be for the benefit of the students, such as the Administration, General or Wellness funds. We also noted there are 50/50 raffles conducted and the proceeds are used for faculty baskets. The true purpose of activity funds is to account for student activity programs, where students have participation in their management. We recommend the Department of Education review their activity funds to determine if they are being properly reported in the financial statements.

Management's response/corrective action plan: During the 14-15 school year, we will review the funds being run through activity funds to see if they are properly placed there, or if any should be moved to a different fund and be accounted for in a different way by the school administrator solely. The 50/50 raffles were being run through the staff fund at the high school. This fund consisted solely of funds donated by staff members, for use at the staff's discretion for such things as purchasing flowers for a sick staff member, or donating to a needy family. After review of this fund and discussion with the auditors, management decided that activity funds are not an appropriate place to have a staff fund. The balances of the staff funds at all schools have been returned to the staff, and the School District will no longer have any participation or oversight in this type of fund, or any 50/50 raffles.

CITY OF AUBURN, MAINE
Schedule of Comments and Responses, Continued
June 30, 2014

OTHER COMMENTS, CONTINUED

High School Activity Funds

During our review of the June 30, 2014 High School Activity Fund bank statement reconciliation, we noted several old, outstanding items, including deposits and checks dating as far back as 2009. This causes additional time to be spent by personnel to reconcile the bank accounts each month. If any of these checks should ultimately be voided, the possibility of using these funds currently is eliminated. The State of Maine requires holders of unclaimed property, which includes any type of outstanding check, to identify the unclaimed property by listing them on a form supplied by the State and then trying to locate the owners of the unclaimed property. Attempts to locate owners should be done between July 1 and September 1. The State also provides an Owner Identification sample letter to use. On November 1, the holders are required to send the Holder Report Form along with the funds to the Office of the State Treasurer. Checks should be made payable to the Treasurer, State of Maine. We recommend that this process be completed as soon as possible so that checks can be removed from the bank reconciliation and the original transactions reversed.

Management's response/corrective action plan: The majority of the old, outstanding items are not actual checks or deposits, but adjusting entries that were made several years ago to reconcile accounts within the accounting software. We believe most of these entries will offset each other. The Business Office Manager and High School secretary will review these items and have all of them cleared or corrected by the end of 2015.

School Journal Entries

During our review of Department of Education journal entries, we noted that there is no evidence that they have been approved, even if they may be periodically reviewed by the Business Manager. The School Department should consider implementing a system in which journal entries over a certain dollar amount be approved by the Business Manager and documented by a signature.

Management's response/corrective action plan: Beginning in July 2014, the Business Manager will review a monthly journal entries report, as created by Tyler accounting software, and sign off on the reports to indicate acknowledgement of review and approval.

CITY OF AUBURN, MAINE
Schedule of Comments and Responses, Continued
June 30, 2014

OTHER COMMENTS, CONTINUED

Highway Planning and Construction Drawdowns

During our testing of the Highway Planning and Construction grants, we determined that drawdowns are not completed in a timely manner. To avoid the use of General Fund monies for extended periods of time, it is an important aspect of cash management to recover expended funds in a timely manner. We recommend that drawdowns be completed monthly, or as expended, to ensure expended funds are replenished in a timely manner.

Management's response/corrective action plan: The Finance Department staff met with the City Engineer, as going forward the Finance Department will be doing the drawdowns. On large projects, we will do monthly drawdowns and on small projects, we will determine if we need to do more than one drawdown based on the length of the project. This change has already been implemented.

Tax Increment Financing Districts Agreements

During our review of Tax Increment Financing (TIF) agreements with the City, we noted a few areas in need of improvement. We noted one instance where the credit enhancement payment exceeded the amount of captured taxes. This is a violation of the TIF agreement, which indicates funds can only be paid out up to the amount captured. We also noted that most amounts recorded in the TIF fund only account for the credit enhancement agreement portion of the TIF. The remaining captured amount, to be spent by the City on specific items depending on which TIF they originate, is maintained in the General Fund and spent from the General Fund. In order to ensure compliance with the City's TIF agreements, we would recommend that the entire captured amount be transferred to the TIF fund and expended from that fund in its entirety. This will ensure that monies spent from TIF funds are easily traceable to the expenditures to ensure compliance with the TIF agreements.

Management's response/corrective action plan: We will address the issues in our next budget cycle (FY16 budget).

Person responsible for corrective action of School comments:

*Adam Hanson, Business Office Supervisor, Auburn School Department
Phone: (207) 784-6431, ext. 1425*

Anticipated completion date:

Corrective action will be complete within 12 months.

Person responsible for corrective action of City comments:

Jill Eastman, Finance Director, (207) 333-6600

Anticipated completion date:

Corrective action will be complete within 12 months.

CITY OF AUBURN, MAINE

**Reports Required by *Government Auditing
Standards* and OMB Circular A-133**

**For the Year Ended
June 30, 2014**

CITY OF AUBURN, MAINE
Reports Required by *Government Auditing Standards*
and OMB Circular A-133
For the Year Ended June 30, 2014

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the City Council and School Committee
City of Auburn, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Auburn, Maine, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Auburn, Maine's basic financial statements, and have issued our report thereon dated November 24, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Auburn, Maine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Auburn, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Auburn, Maine's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2014-001 that we consider to be a significant deficiency.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS, CONTINUED**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Auburn, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

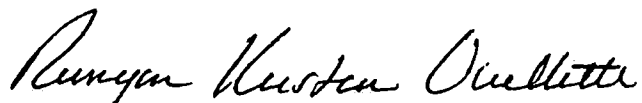
We noted certain matters that we reported to management of the City of Auburn, Maine in a separate letter dated November 24, 2014.

City of Auburn, Maine's Response to Findings

The City of Auburn, Maine's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Auburn, Maine's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



November 24, 2014
South Portland, Maine

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the City Council and School Committee
City of Auburn, Maine

Report on Compliance for Each Major Federal Program

We have audited the City of Auburn, Maine's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Auburn, Maine's major federal programs for the year ended June 30, 2014. The City of Auburn, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Auburn, Maine's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Auburn, Maine's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Auburn, Maine's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Auburn, Maine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133, CONTINUED**

Report on Internal Control over Compliance

Management of the City of Auburn, Maine, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Auburn, Maine's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the City of Auburn, Maine's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Auburn, Maine's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133, CONTINUED**

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Auburn, Maine, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Auburn, Maine's basic financial statements. We issued our report thereon dated November 24, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the scheduled of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



November 24, 2014
South Portland, Maine

CITY OF AUBURN, MAINE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA number	ARRA Funds	Pass- through number	Program or award amount	Balance at June 30, 2013	Revenue Recognized		Expenditures Recognized		Balance at June 30, 2014
						Federal	Other	Federal	Other	
U.S. Department of Education:										
Direct Program:										
Safe Schools Healthy Students	84.184		N/A	\$ 22,000	(4,977)	4,977	-	-	-	-
Passed through Maine Department of Education:										
Adult Basic Education	84.002		6296	23,220	-	22,885	-	22,885	-	-
Title IA	84.010		3107	1,139,701	-	1,213,999	-	1,213,999	-	-
Title 1A Continuous Improvement Program	84.010		3056	32,892	56	-	-	-	-	56
Local Entitlement	84.027		3046	922,503	-	961,960	-	961,960	-	-
PreSchool Part B Section 619	84.173		6247	12,458	-	12,458	-	12,458	-	-
Twenty-First Century Community Learning Centers	84.287		3356	268,205	-	309,893	-	309,893	-	-
Title III - Language acquisition	84.365		3115	23,278	-	23,775	-	23,775	-	-
Title IIA - Improving Teacher	84.367		3042	193,062	-	178,175	-	178,175	-	-
Passed through the University of Maine:										
Reading Recovery	84.396		N/A	1,850	461	-	-	152	-	309
Passed through Maine Department of Substance Abuse:										
Drug Free Communities	84.186		N/A	4,815	3,150	4,589	-	4,557	-	3,182
Total U.S. Department of Education					(1,310)	2,732,711	-	2,727,854	-	3,547
U.S. Department of Health and Human Services, passed through Maine										
Department of Education:										
Refugee Resettlement	93.576		3120	9,585	-	11,776	-	7,956	-	3,820
SIRP	93.959		6401	12,467	3,416	9,051	-	12,467	-	-
Total U.S. Department of Health and Human Services					3,416	20,827	-	20,423	-	3,820
U.S. Department of Homeland Security										
Passed through Maine Emergency Management Agency:										
Homeland Security - 2010 Metro	97.067		N/A	188,775	92,511	12,849	-	105,360	-	-
Homeland Security - 2011 Metro	97.067		N/A	130,890	38,097	52,309	-	90,406	-	-
Homeland Security - 2012 Metro	97.067		N/A	61,914	-	61,914	-	53,895	-	8,019
Homeland Security - 2013 Metro	97.067		N/A	94,311	-	16,540	-	-	-	16,540
Passed through Federal Emergency Management Agency:										
Assistance to Firefighters Grant	97.044		N/A	86,074	-	76,570	-	87,079	-	(10,509)
Total U.S. Department of Homeland Security					130,608	220,182	-	336,740	-	14,050
U.S. Department of Defense:										
Community Economic Adjustment Planning Assistance	12.610		N/A	149,998	(59,068)	98,524	-	56,105	-	(16,649)
U.S. Department of Commerce:										
National Telecommunications and Information Administration	11.558	Y	N/A	5,000	-	5,000	-	5,000	-	-

CITY OF AUBURN, MAINE
Schedule of Expenditures of Federal Awards, Continued
For the Year Ended June 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA number	ARRA Funds	Pass-through number	Program or award amount	Balance at June 30, 2013	Revenue Recognized		Expenditures Recognized		Balance at June 30, 2014
						Federal	Other	Federal	Other	
U.S. Department of Housing and Urban Development:										
Direct programs:										
Community Development Block Grant - Entitlement	14.218		N/A	\$ 522,224	-	561,238	-	561,238	-	-
Home Investment Partnership Program	14.239		N/A	366,886	-	275,404	-	275,404	-	-
Passed-through the Maine Department of Economic and Community Development:										
Neighborhood Stabilization Program	14.228		N/A	1,021,889	-	125,829	-	125,829	-	-
Neighborhood Stabilization Program	14.228		N/A	969,766	-	75,901	-	75,901	-	-
Passed through the City of Lewiston, Maine:										
Lead-Based Paint Hazard Control	14.907	Y	N/A	919,745	7,046	-	-	-	-	7,046
Total U.S. Department of Housing and Urban Development					7,046	1,038,372	-	1,038,372	-	7,046
U.S. Department of Justice:										
Direct programs:										
COPS Hiring Recovery Program	16.710		N/A	250,000	2,117	53,269	-	57,796	-	(2,410)
COPSAP	16.803	Y	N/A	269,205	51,205	-	-	-	-	51,205
Equitable Sharing Program	16.922		N/A	33,583	19,683	36,676	-	24	-	56,335
2010 Edward Byrne Justice Assistance Grant	16.804		N/A	18,295	(2,216)	11,788	-	5,863	-	3,709
2011 Edward Byrne Justice Assistance Grant	16.804		N/A	16,309	-	11,744	-	11,740	-	4
2012 Edward Byrne Justice Assistance Grant	16.804		N/A	15,307	-	265	-	165	-	100
2013 Edward Byrne Justice Assistance Grant	16.804		N/A	14,582	-	9,192	-	8,746	-	446
Passed through the Maine Department of Health and Human Services:										
Enforcing Underage Drinking Laws	16.727		N/A	4,250	-	-	4,165	4,165	-	-
Total U.S. Department of Justice					70,789	122,934	4,165	88,499	-	109,389
U.S. Department of Transportation,										
Passed through the Maine Department of Transportation:										
Highway Planning and Construction - South Maine Street	20.205		N/A	1,147,320	(337,477)	1,175,946	-	1,027,944	-	(189,475)
Highway Planning and Construction - Park Avenue Trail	20.205		N/A	711,360	(179,844)	86,454	-	-	-	(93,390)
Highway Planning and Construction - Park Avenue Reconstruction	20.205		N/A	640,000	(238,278)	30,749	-	125,492	-	(333,021)
Highway Planning and Construction - Riverside Drive	20.205		N/A	220,000	(58,822)	50,000	-	-	-	(8,822)
Highway Planning and Construction - Court St Slip Lane	20.205		N/A	180,000	(84,583)	209,636	-	137,239	-	(12,186)
Highway Planning and Construction - Helm Bridge	20.205		N/A	337,500	(7,090)	326,576	-	260,357	-	59,129
Highway Planning and Construction - Route 2	20.205		N/A	400,000	-	33,248	-	33,248	-	-
Highway Planning and Construction - Minot Ave Bin Wall	20.205		N/A	556,000	-	-	-	11,542	-	(11,542)
Passed through the Maine Bureau of Highway Safety:										
2013 DriveSober, Maine! Impaired Driving	20.600		N/A	9,862	-	9,986	-	8,487	-	1,499
2014 Click It or Ticket Campaign	20.600		N/A	3,000	-	2,800	-	2,352	-	448
2014 Speed Enforcement Program	20.600		N/A	10,000	-	10,320	-	8,512	-	1,808
Total U.S. Department of Transportation					(906,094)	1,935,715	-	1,615,173	-	(585,552)
U.S. Department of Agriculture, passed through the Maine Department of Education:										
National School Lunch Program	10.555		3024	N/A	339,719	715,601	154,192	715,601	157,933	335,978
Food Donation Program	10.555		6134	N/A	-	82,407	-	82,407	-	-
School Breakfast Program	10.553		3014	N/A	-	215,299	-	215,299	-	-
Summer Food Service Program	10.559		3016	N/A	-	71,174	-	71,174	-	-
Fresh Fruit and Vegetable Program	10.582		3028	N/A	-	63,759	-	63,759	-	-
Total U.S. Department of Agriculture					339,719	1,148,240	154,192	1,148,240	157,933	335,978
Totals				\$	(414,894)	7,322,505	158,357	7,036,406	157,933	(128,371)

See accompanying notes to schedule of expenditures of federal awards.

CITY OF AUBURN, MAINE
Notes to Schedule of Expenditures of Federal Awards
June 30, 2014

PURPOSE OF THE SCHEDULE

Office of Management and Budget (OMB) Circular A-133 requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal award program as identified in the Catalog of Federal Domestic Assistance (CFDA).

SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity - The accompanying schedule includes all federal award programs of the City of Auburn, Maine for the fiscal year ended June 30, 2014. The reporting entity is defined in Notes to Basic Financial Statements of the City of Auburn, Maine.
- B. Basis of Presentation - The information in the accompanying Schedule of Expenditures of Federal Awards is presented in accordance with OMB Circular A-133.
 - 1. Pursuant to OMB Circular A-133, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations.
 - 2. Major Programs - OMB Circular A-133 establishes the levels of expenditures or expenses to be used in defining major federal financial award programs. Major programs for the City of Auburn, Maine have been identified in the attached Schedule of Findings and Questioned Costs - Summary of Auditor's Results.
- C. Basis of Accounting - The information presented in the Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting, which is consistent with the reporting in the City's fund financial statements.

CITY OF AUBURN, MAINE
Schedule of Findings and Questioned Costs
June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? no

Significant deficiencies identified? yes

Noncompliance material to financial statements noted? no

Federal Awards

Internal Control over major programs:

Material weaknesses identified? no

Significant deficiencies identified? none reported

Type of auditor's report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section .510(a)? no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title IA
84.287	Twenty-First Century Community Learning Centers
14.218	CDBG Entitlement
20.205	Highway Planning and Construction

Dollar threshold used to distinguish
between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? No

CITY OF AUBURN, MAINE
Schedule of Findings and Questioned Costs, Continued

Section II - Findings Required to be Reported Under *Government Auditing Standards*

SIGNIFICANT DEFICIENCIES

2014-001 – Segregation of Duties – Arena and Recreation

During our testing of Arena and Recreation cash receipts, we found there is a lack of segregation of duties in the receiving, depositing and recording of cash receipts. To provide effective control, it would be necessary to separate each of these duties. At the present time, the cashier's duties include all of these functions to some degree. During subsequent conversations, it is apparent that at this time, it is not possible to separate each of these duties. It would appear advisable to at least set up some form of control over cash receipts, such as a list of remittances received to be prepared at the time the mail is opened, use of prenumbered receipts, and reconciling cash registers to the register tape. All of these tasks would be completed by an employee other than the one preparing the deposit.

Management's response/corrective action plan: As soon as this was brought to the attention of staff, procedures were implemented to correct this issue. Currently, one staff member closes out the cash register daily and reconciles the cash receipts to the tape. This same employee opens all mail and lists each check in a check log as it is received. This employee initials all work and then gives the work to the administrative assistant, who makes out the deposit. We will continue to monitor the cash receipts process and refine as necessary with the limited staff.

Person responsible for corrective action:

Jill Eastman, Finance Director, (207) 333-6600

Anticipated completion date:

Corrective action will be complete within 12 months.

CITY OF AUBURN, MAINE
Schedule of Findings and Questioned Costs, Continued

Section III - Findings and Questioned Costs for Federal Awards

None

CITY OF AUBURN, MAINE
Schedule of Findings and Questioned Costs, Continued

Section IV - Summary Schedule of Prior Year Audit Findings for Federal Awards

None

Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
Adam Lee, Ward Four



Leroy Walker, Ward Five
Belinda Gerry, At Large
David Young, At Large

Jonathan P. LaBonte, Mayor

IN CITY COUNCIL

ORDER 100-12152014

ORDERED, that the Auburn City Council accept the Fiscal Year 2014 Comprehensive Annual Financial Report as presented by Runyon Kersteen Ouellette on December 15, 2014.



City Council Information Sheet

City of Auburn

Council Workshop or Meeting Date: 12-15-2014

Author: Tim Holden, Jason Paquin

Subject: Business Plan for Norway savings Bank Arena, Revised Budget, Expenses, Revenue FY15

Information: Business plan including spreadsheets and graphs with 10 year projection

Advantages: Updating the City and the Council so they have the most current and up to date information regarding then financials of the Arena.

Disadvantages: This will show that the Arena is not hitting the projected revenue for FY 15.

City Budgetary Impacts: This will impact the FY 15 budget as certain line items have been adjusted to reflect actual usage and expenses.

Staff Recommended Action: Discussion only

Previous Meetings and History: This is our first meeting regarding the financials of the Arena.

Attachments:

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Ice scheduling philosophy

Arena business plan

Usage statistics

Revised projected revenue FY15



985 Turner Street Auburn, ME 04210

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- **Ice Arena Scheduling and Programming Philosophy**

In order to obtain maximum revenue, rink management must provide a “balanced schedule”. This is sometimes difficult as special interest groups pursue contracting as many prime hours as are available. Prime hours can be defined on weekdays between 5:00 & 10:00pm and on weekends between 8:00am & 10:00pm.

A balanced schedule will provide consistent revenue on a year-round basis and continue to build programs with a new influx of skaters.

In a new rink it is much easier to control and program a facility schedule from the very beginning. The first priority should be public skating sessions. These should be scheduled at times when the general public is most likely to be seeking entertainment during their leisure hours such as, Friday and Saturday evenings and Saturday and Sunday afternoons. It is also a good idea to offer after school hours at least once a week from 4:00 – 5:30pm. The length of public skating sessions can vary from 90 minutes to 3 hours. The important thing to remember is that public skating sessions are the key to building success in other program areas.

While public skaters are at the arena they should have access to materials that promote learn-to-skate classes, hockey initiation programs, birthday parties and other special events that will make them a regular guest of the facility. Public sessions need to be consistently scheduled and rarely relinquished for hockey tournaments, competitions, etc. User groups will put pressure on management to secure these prime times for their special events but it is not sound business practice to disrupt the consistency of these sessions designated for the general public. The goal should be for the public to know your hours and not expect them to change on a sporadic basis.

After establishing the public skating hours, the next priority should be “learn-to-skate” classes. Again, this is very important because these skaters will feed into the competitive figure skating, precision skating, and hockey programs. It is wise to schedule at least two sessions per week, one on a weekday late afternoon time slot and one on Saturday morning. These sessions should be 60 – 90 minutes in length with each student attending a thirty-minute class once or twice a week. Five to seven classes can be taught on designated coned-off strips during each thirty-minute session.

Once the public skating and “learn-to-skate” classes are scheduled one can divide up the remaining hours accordingly. Based on existing numbers, one group may require more time than another and those requests must be considered as part of the big picture and the need to utilize and schedule ice throughout the year. Typically, figure skating is scheduled during the early afternoons on the weekdays and to a lesser extent on Saturday mornings.

Once a program is fully established it is not uncommon for figure skaters to use the early morning times before school. Youth hockey programs usually begin between 5:00 and 6:00pm on weekdays and continue until about 9:00 or 10:00pm at night. Again, once the program builds and requires more ice time, early weekday mornings can be contracted to the youth hockey players as well as the figure skaters.

Executive Summary

The Norway Savings Bank Arena is a premier two-surface, NHL size, ice-skating facility located in Auburn, Maine. Our goal is to provide the community with a state-of-the-art recreational ice facility with a safe, healthy environment for children, teens, and adults. Our competitive edge will be strengthened with an unwavering focus on exemplary customer service.

The main objectives and keys to success of the development of this new arena are:

- To provide exceptional service that leaves a positive impression so customers and guests will return.
- To maintain tight control of costs, operations, and cash flow through diligent management and automated computer control.
- A great management team that is comprised of Tim Holden, Jason Paquin, and Jennifer Banker.
- Effective programming and scheduling of the facility to maximize utilization resulting in long-term success.
- Provide top-quality food selection and service for our customers and guests.
- Market the facility to specifically targeted demographic bases that are likely to be long-term customers and guests.
- Provide a consistent entertaining atmosphere during public skating sessions.
- Work with the local Amateur Hockey Associations to contract weekday evening and weekend ice.
- Manage internal finances and cash flow to assure an attractive return on investment for the tax payers of Auburn.
- Seek key sponsors and advertising partners as ancillary income providers.
- Establish permitting for the addition of a mini or full-sized ice sheet to the facility, in order to minimize issues of expansion, if appropriate, in the future.

The key elements of the Ice Arena concept are as follows:

- Two NHL size ice skating surfaces enhanced with a refrigeration system that will provide superior ice quality.
- An inventory of 700 pairs of high quality, well-maintained hockey and figure rental skates. Sizes will range from a youth size 6 to an adult size 13 in order to accommodate most guests. (Currently subleased to Penalty Box Inc.)
- Research a large Video Wall and specialty lighting installed in Rink #2 to provide music and video entertainment during our public skating sessions. Very few ice arenas in the country have taken advantage of this concept; the arenas that have installed these systems have been extremely successful.
- Large locker rooms with restrooms and showers to accommodate hockey and figure skating needs. Regular cleaning and maintenance of these areas is critical to good customer service.
- Currently researching the potential of developing a fitness center inside The Norway Savings Bank Arena to create an outside revenue source.
- Develop several meeting/party rooms for community meetings, birthday parties, tournament hospitality, and similar events.

- Pro shop that specializes in high-profit consumables to provide equipment necessary to participate in ice hockey, figure skating, and broomball as well as clothing and souvenir items that relate to ice sports. (Currently subleased to Blue Line Sporting Goods.)
- Concession area with special attention given to the level of food quality and healthful options. A simple menu offering foods ranging from fried foods to hamburgers, chicken and salads. (Currently Subleased to penalty Box Inc.)
- Small Coffee shop to provide specialty coffee drinks and smoothies.
- Exceptional service – In order to reach and maintain a unique image of quality, The Norway Savings Bank Arena will provide attentive and friendly service through a high ratio of service personnel to customers, clean and modern facilities, and a wide variety of programs appropriate for all ages and levels of skating expertise.

COMPANY SUMMARY

Company Ownership

George Schott –Slap shot LLC; Is a local entrepreneur who provided the funding to build The Norway Savings Bank Arena in the City of Auburn.

Mr. Schott serves as the leassor of The Norway Savings Bank Arena to the City of Auburn.

The City of Auburn– Operates the Norway Savings Bank Arena under the direction of the City Manager and its management staff.

Business Description

The Norway Savings Bank Arena's central location, demographics, and lack of direct competition in the dual ice surface market are major advantages to this facility. The growth of Norway Savings Bank Arena will provide a local solution to ever growing need of an ice-skating facility in the Auburn area.

The intention of The Norway Savings Bank Arena is to maintain and expand an indoor ice arena that caters to the sports enthusiasts of recreational ice-skating, figure skating, and ice hockey. Norway Savings Bank Arena will target the greater Lewiston/ Auburn area as well as Central and Southern Maine as a focus for this two NHL size ice surface facility. Throughout the country numerous communities have adopted ice sports as a means of fun and excitement, and arenas designed for this sport have proven to be successful ventures in the right demographic base.

Norway Savings Bank Arena is committed to providing a positive skating experience for the citizens of the Lewiston, Auburn area and visitors by establishing safe, reliable and affordable programs at a facility in which the community can take pride in. Additionally, having experienced hands on management will ensure the professionalism of the staff, as well as the utmost cleanliness, safety and maintenance of the facility.

The facility will be open year-round with operational hours from 6:00am – Midnight, seven days a week. The arena will draw primarily from the Lewiston/Auburn area, as well as the Central and Southern Maine markets while attracting ice enthusiasts from throughout the region for hockey tournaments and interstate league competition. The Development of figure skating events such as ice shows, test sessions, and competitions will also draw participants and spectators from throughout the region.

Projected future revenue sources:

- Addition of off-season indoor turf field
- On-site fitness center
- Public programming
- Developmental training camps
- Addition of mini ice sheet or NHL sized ice sheet

Market Analysis

The Norway Savings Bank Arena is the only dual ice arena complex in Maine. Typically when a market is reviewed with a goal toward building an entertainment or recreation facility that market is within 5 - 10 miles from the potential site location. In the ice skating industry, the market extends many miles. An ice skating enthusiast is willing to travel up to 40 miles or more to participate in their favorite sport. Roller skating rinks are considered neighborhood businesses. Ice skating rinks are considered regional businesses. An ice skating rink will draw skaters for many more miles than a theater, bowling alley, or roller rink, just to name a few.

Because of the diversity in the activities and programs available at The Norway Savings Bank Arena, our market segments vary from dedicated hockey and figure skating enthusiasts to people who just want a few hours of fun and recreation.

Consumer Trends

On a national level, ice sports have experienced rapid growth in popularity and continue to be one of the fastest growing segments of the family entertainment industry.

Over the years, two factors influencing the popularity of ice sports were repeatedly cited by key contacts: the popularity of Disney's *Miracle on Ice* in theaters and on DVD, and ABC's renewed commitment to televising professional figure skating.

The Winter Olympic Games have also been important to ice facility development as these games historically provide increased interest in all ice related sports. Television and print coverage of ice-skating and hockey in Salt Lake City, Turin, Vancouver and Sochi produced the typical "post-Olympic" surge of interest among both youth and adults. The fact that the 2002 Winter Olympic games were in America increased

coverage by the media on a timely basis, which also increased the number of viewers of the ice skating events.

The Winter Olympic games of 2010, which took place in Vancouver, B.C. and the 2014 games which took place in Sochi, Russia, were heavily televised in the United States, and provided an additional surge of interest in both figure skating and hockey.

In a 2009 report by ESPN and Chilton Sports, a survey of females revealed their favorite sport is ice-skating. Another report published by USA Today stated that figure skating was the fourth most popular spectator sport, with 7% of the vote, behind football, basketball and baseball. However, since Michelle Kwan left the spotlight of the skating world with a hip injury in 2006, a high profile role model for figure skating has not yet emerged but very well could when the next Winter Games take place in PyeongChang, South Korea.

National Market

On a national level, ice sports have experienced rapid growth in popularity and continue to be one of the fastest growing segments of the family entertainment industry.

There has been a meteoric rise in ice sport participation in the last dozen years before a U.S. hosted Olympics. Roughly 600 ice facilities have opened in the United States in the past ten years, representing one-quarter of the approximate 2,400 rinks in operation today.

The latest ice boom began in 2002, shortly after Sarah Hughes won the Olympic gold medal in women's figure skating. In the months following the Winter Games, thousands of girls stepped onto the ice with dreams of emulating her victory.

The Olympic year is one of the most important marketing components of U.S. Figure Skating — for both sponsorship and membership. Figure skating has benefited from extraordinary TV ratings in the last decade, and that in turn led to a \$100 million contract between the USFSA and ABC Sports.

Though winter sports normally see a bump in participation after the Olympics, the Salt Lake Games sparked an unprecedented response.

When Salt Lake City organizers extinguished the Olympic flame in 2002, the United States bid farewell to its most successful Winter Games ever. Ice arena managers were inundated with phone calls from “wannabe Olympians”, who were inquiring about everything from skating to hockey to curling. Interest was so high; the sports' national governing bodies struggled to keep up with the demand.

U.S. Figure Skating is one of the strongest and fastest growing governing bodies within the Olympic movement with more than 173,000 members. It is comprised of member clubs, collegiate clubs, school-affiliated clubs and individual members.

U.S. Figure Skating's national headquarters, located in Colorado Springs, Colo., is also home to the World Figure Skating Museum and Hall of Fame, which is toured by more than 15,000 visitors annually.

More than 1,000 volunteers serve on U.S. Figure Skating's Executive Committee, Board of Directors and numerous committees. Thousands of additional volunteers dedicate their time to club activities, judging, officiating and competition management.

USA Hockey

USA Hockey, Inc., is the national governing body for the sport of hockey in the United States. As such, its mission is to promote the growth of hockey in America and provide the best possible experience for all participants by encouraging, developing, advancing and administering the sport.

We use USA Hockey registration as a tool, but please keep in mind there are many programs in facilities throughout the country that do not participate as USA Hockey members in order to save on registration fees.

There has been a greater than 160% increase in USA Hockey registered members in just over 10 years. The increase in registered players is due to many factors, including the growth of new facilities in non-traditional hockey markets around the country.

"The increase in participation with USA Hockey has been dramatic over the last ten years, the popularity of hockey as a participant sport has risen with every new rink that was built. In many parts of the country, local hockey programs have had waiting lists. As soon as a new rink has opened, more players have had the chance to hit the ice."

-- *Rae Briggie, Director of Member Services for USA Hockey*

This past November, the Maine Gladiators Youth Hockey Organization participated in USA Hockey's *Try Hockey for Free Day*. This program offers the opportunity for children ages 4 to 9 years old to play the game of hockey for free. The event is a component of the NHL's Hockey is for Everyone campaign and this year introduced hockey to over 14,000 kids for the first time nationwide. *The Try Hockey Free Day* gives children the chance to try the sport with little investment and offers the program twice a year. The next scheduled event is February 21, 2015 as part of Hockey Weekend Across America.

USFS (United States Figure Skating)

U.S. Figure Skating is the national governing body for the sport of figure skating in the United States. It is comprised of member clubs, collegiate clubs, school-affiliated clubs, individual members, and Friends of Figure Skating and Basic Skills programs.

U.S. Figure Skating is one of the strongest and largest governing bodies within the winter Olympic movement with more than 178,500 members representing 1,634 clubs and Basic Skills programs.

USFS Registration Totals on the Rise

U.S. Figure Skating registrations are divided into 2 member types:

- 1) There are Basic Skills members, which are the entry-level skaters in their first several years of progress from a Basic Skills program to a more advanced level.

- 2) Club Members, who participate as members of a local club and typically compete in state, regional, and national competitions. These members may also be motivated to pass tests and eventually become professional instructors.

U.S. Figure Skating membership has steadily increased throughout the past 20 years:

- Total membership (U.S. Figure Skating Basic Skills and regular membership combined) for 1988-89 surpassed 64,000 members.
- 1991-92 marked the first year membership hit the 100,000 total with 102,647.
- 1993-94 saw an increase that surpassed 125,000.
- 2005-06 marked the first year total membership topped 175,000.
- The post 2006 Olympic surge brought membership to 184,000 in 2007.
- The final 2007-08 membership settled in at 178,500.

** Source: United States Figure Skating Association – 2008-2009 fact sheet.

U.S. Figure Skating on TV

During the 2009 U.S. Championships, almost 3 million households were tuned into ABC Family for the ladies free skate. That added up to a 3.45 rating, making it the most-viewed skating event ever shown on cable television. Past TV viewing audiences have numbered as large as 16 million households for a single session, and live coverage of the 2001 U.S. Championships ladies final was seen in six million households nationwide.

During the 2007-08 season, ABC Sports produced 14 shows featuring U.S. skaters, totaling more than 40 hours and reaching more than 47 million homes (not including ESPN or ESPN2 ratings). ESPN and ESPN2 also featured figure skating.

As a testament to the continued public interest in figure skating, in 2005 ABC Sports was nominated for five Emmy Awards for their coverage of the 2004 World Figure Skating Championships.

In April 2009, NBC Sports and U.S. Figure Skating announced a three year partnership under which NBC agreed to broadcast live high-definition coverage of the U.S. Figure Skating Championships, including Saturday night primetime coverage of the ladies free skate, as well as Skate America. NBC's unprecedented coverage of the 2008 U.S. Figure Skating Championships attracted almost 12.5 million viewers.

Developing a figure skating program and group is paramount for The Norway Savings Bank Arena as there are currently no organized figure skating groups north of Falmouth, Maine.

Local Market

There are currently no dual surface ice-skating facilities in the target market area.

In a new untapped market it is very important to develop a well-balanced program that will provide long-term users of the facility. This is accomplished through prioritizing recreational programs and continuing to develop a loyal following of guests by offering a clean, safe, well-managed arena while maximizing revenues and minimizing expenses.

The target market area and beyond has a long history of enthusiasm over ice sports. Some of the current programs in place that will become consistent users of The Norway Savings Bank Arena are:

Maine Gladiators Youth Hockey is a non-profit youth hockey league in the Lewiston, Auburn area. Boys and girls from the ages of four to seventeen participate in 7 divisions (Tier 2, 3, and 4). The majority of the local youth programs members skate from September through May, and some teams skate through the summer.

- Second largest association in the Regional District of USA Hockey
- Over 400 skaters
- Currently purchases over 1000 hours of ice annually
- Successful girls hockey program

Adult Hockey

- Over 300 active adult players in the Lewiston, Auburn Area
- Room to develop an Adult Learn to Play Hockey program
- Will draw from Central and Southern Maine in the off season

Learn to Skate Norway Savings Bank Arena – This program will offer group figure skating and hockey instruction for children and adults at every level, from beginner to advanced. This program will cater to the Girl Scouts, Boy Scouts, Home School, Parks and Recreation and other organizations, which make skating a part of their schedule. LTS Norway Savings Bank Arena is a feeder program to Maine Gladiators Youth Hockey and future figure skating programs.

General Programming

The vision of The Norway Savings Bank Arena management is to develop programming beyond what has been typical in ice skating facilities. A few examples of this are:

- High School intramural hockey league
- High School intramural broomball league
- Young Adult Hockey League
- Slow Puck Hockey League (50+)
- Broomball Leagues
- School Group Outings
- Physical Education Classes
- PTA School Events
- After Prom Events

Market Segmentation

Norway Savings Bank Arena should appeal to four major market segments.

1. Youth – Learning to ice skate appeals to both boys and girls ages 4 to 12. Programming is geared towards this age group for introductory lessons in both figure skating and ice hockey. This age group is very quick to learn the basics and therefore become very enthusiastic about their ability to improve their skills quickly and become involved further. Developing this customer base helps establish long-term patrons that will use the Norway Savings Bank Arena on a regular basis.
2. Teenagers – 13 to 18 year olds get involved in programs offered at the ice arena as well. Many teenagers are entrenched in competitive figure skating and hockey programs and will be at The Norway Savings Bank Arena four or five times a week. For the teenagers not using the facility as a primary sport interest there is a focus to use the facility as a destination and social gathering place to meet similar age groups of the opposite sex. Potential weekend evening public skating sessions cater to this groups musical and entertainment preferences. We intend to be the first rink in the area to develop video entertainment along with a state of the art light show on weekend evenings. Word will travel quickly and it will become the “place to be” for this age group.
3. Adults - This market will use the ice center on a regular basis to provide regularly scheduled exercise and pursue their passion for figure skating, public skating, and/or ice hockey. Lunchtime public skating sessions will be attractive to both professional workers in the area and homemakers as well.

In-house “no-check” hockey leagues provide a competitive atmosphere and great camaraderie at several different levels of play. Drop-in hockey is another popular activity that does not require the commitment of playing in an organized league. Adult synchronized precision skating is also an area that is becoming extremely popular and even boasts a national championship competition sanctioned through the United Skates Figure Skating.

4. Families – This is an important market segment for our facility. The Norway Savings Bank Arena has “something for everyone” and that will attract families that want to become members of the facility as well as families who simply want a few hours of fun now and again. We are currently looking into developing our daytime weekend public skating sessions that will cater to the family atmosphere with a potential discount package to encourage family skating and allow us the opportunity to market our programs to this sector. This segment will also be the main target for summer camps and activities that allow for fun and education for the children while the parents enjoy some time to themselves.

Target Market Segment Strategy

Due to the size and convenient location of the facility, many people will be attracted to the Norway Savings Bank Arena to see what is offered. However, management will not be content to just wait for customers to come to the arena. Instead, the marketing strategy will focus on those market segments whose recreational needs are satisfied by Norway Savings Bank Arena programs. The great thing about marketing the Norway Savings Bank Arena that each market segment relates; in certain ways, to all the others.

Management's main objective with this early marketing strategy will be to get people into the facility. Once people see what is offered, and feel the atmosphere that is created, they will want to return and participate in the many activities and programs that will be available to them.

Some of the ways we intend to get people interested in the facility include:

- Hosting and/or supporting various community events that will bring in many people who otherwise would not come.
- Co-Op advertising with local retail, entertainment, and fast food businesses.
- Working with the Parks and Recreation Department to create fanfare for new classes and a continuing program of events.

Norway Savings Bank Arena will look into utilizing print and radio media to promote both the facility and the programs that are being offered to attract new people from throughout Central and Southern Maine.

Competition

Again, there are no other dual surface arenas in Maine. This is one of the largest factors in the potential for success or failure of an indoor ice arena facility. Our objective however is not to run anyone else out of business but to capitalize on the growing skating market in Central and Southern Maine.

The closest facilities are the Androscoggin Bank Colisee that is 3.5 miles away and caters to Lewiston High School and the Portland Junior Pirates. Underhill Arena is 2.6 miles away and caters to the student body of Bates College.

The next page provides a spreadsheet of ice rinks in the outlying areas.

Rink Name	Androscoggin Bank Colisee	Underhill Arena
Address	190 Birch Street.	145 Russell Street.
City State Zip	Lewiston, Maine 04240	Lewiston, Maine 04240
Phone	207-783-2009	207-786-6255
website	www.thecolisee.com	http://athletics.bates.edu/facilities/underhill-arena
Miles from Arena	3.5 Miles	2.5 Miles
Rinks	1 NHL	1 NHL
Seating	3,677	400
Seasonal?	Seasonal	Seasonal
Additional info	Ice Hockey and Entertainment Facility.	Small, University operated ice facility. Caters to Bates College student body.
Owner	Firland Management	Bates College

User Groups - (Major Program Areas Defined)

Public Skating

Public skaters include individuals associated with organized groups as well as skating enthusiasts and the remainder of the general public who do not skate regularly.

Traditional public skating sessions are 1 ½ - 2 hours long and are offered two to four times a week. Expected attendance at these sessions will range from 20 to 200 people, depending on the season and time of day. At many arenas, the public skating segment represents a sizable portion of the total hours of prime-time ice use; it also represents substantial income for the facility.

Youth Hockey

Hockey programs for youth ages 4 – 17 are typically operated either by the arena staff or as is most common, a local non-profit volunteer association that purchases ice time from the arena and schedules their clinics, practices, and games as directed by their elected board of directors.

Group Lessons

Group lessons, or “learn to skate” programs, are typically run by arena management who in turn hire local skating professionals to teach the lessons on an hourly basis. One

instructor can typically teach 10 to 15 students, and it is possible to have four or five groups and instructors on the ice at any one time. The ice surface is divided up by the ability level of the participants.

The length of the group lessons may vary from a suggested minimum of six weeks to a maximum of ten weeks. A well run, well publicized, and popular learn to skate program is an excellent way to introduce the pleasure of skating to a community. Participants generally take several series of lessons. Once they master the activity, they become excited by skating and advance into a skating club or hockey organization.

The United States Figure Skating Association and the Ice Skating Institute both have beginning lesson programs with various levels of tests to reward the progress of each skater. Tests need to be carefully spaced so that pupils can take them frequently and experience the satisfaction of accomplishment and a badge.

Figure Skating

Figure skating has become popular among young people because of the publicity created by the Olympics and the many ice skating shows now on television. While in the process of building a figure skating program, the arena usually will provide ice time that individuals may purchase (with a maximum of 25 skaters allowed on each session). During this scheduled time skaters may practice their routines, receive private lessons from an instructor of their choice, and play music associated with each skaters program. This competitive program builds off of the success of the arena's "learn to skate" classes.

As a figure skating program matures, a non-profit club, which is usually sanctioned through either the United Figure Skating Association or the Ice Skating Institute, is most likely formed. At this point the club will usually secure ice time on their own and program it to benefit their members. These clubs will also pursue hosting competitions and community ice shows.

Adult Leagues

Adult hockey leagues can be very lucrative and is preferably administered by an arena staff member. Fees are charged on either an individual basis and/or a team basis. USA Hockey registration is preferable for each individual as it provides supplemental insurance for a minimal fee, which decreases liability risk on the arenas behalf. As youth programs build in a facility, adult leagues have historically used late evening ice slots. Additional charges associated with operating in-house leagues include scorekeepers and referees.

Broomball

Broomball is played by two opposing teams on ice without skates. It is similar to hockey, except that players wear sneakers and use brooms instead of skates and hockey sticks. It is great exercise and popular with non-skating adults. Players prefer to play on rough ice rather than on a freshly made sheet of ice.

Drop-in Hockey

Drop-in hockey is an informal game for players who drop in at a time scheduled just for this activity. These players are not necessarily affiliated with a league. Groups typically consist of 10-15 players who range in age from 16 – 35. Players pay an individual fee to participate during the scheduled time (usually an off-peak time).

Private Rentals

Private rentals are comprised of individuals, church groups, businesses, or organized teams that will rent the ice for birthday parties, to play broomball as mentioned above, or to provide additional hockey practice outside of league play. A studio (undersized) rink is perfect for birthday party rentals and should be fully utilized for that purpose on weekends.

3-on-3 Hockey

3-on-3 hockey is played on a smaller surface using 3 players per side instead of the usual 5 players and is becoming more popular in recent years. A studio rink is perfect for this type of league play and requires fewer players to fill a team. It is considered a skill development tool for youth hockey players and an opportunity for all ages of players to be more involved in the action of a game.

STRATEGY AND IMPLEMENTATION SUMMARY

Due to proven programs using/coming to this facility *Learn to Skate NSBA*, *Rousseau's camps*, *Maine Gladiators*, and a freestyle skating class, management believes Norway Savings Bank Arena will become a successful business venture very quickly. Each of these programs is proven and steadily increasing in numbers. They will provide the foundation of the arena revenue. All of these programs will be actively and continuously promoted.

Competitive Edge

The Norway Savings Bank Arena's competitive edge comes from having two quality ice surfaces with quality amenities that include: nice size locker rooms for hockey teams and figure skaters, elevated bleacher seating for both ice surfaces, high quality food concession with warm dining area, coffee shop, wi-fi hot spot, pro shop, and potential Fitness Center to accommodate cross-training needs of all users

Our balanced programming and guest relations will be exceptional. The location of the arena will attract after school traffic. It will draw customers after high school sporting practices and events such as football, baseball, track, and lacrosse. The contemporary and modern mood will interest hockey tournaments and national figure skating competitions. Management will have a high priority in providing a safe, secure, family-oriented environment for patrons.

By maintaining a focus on this strategy, marketing, program development, and guest relations, Norway Savings Bank Arena will continuously be known as the top ice arena in the State. Management is aware, however, that this competitive edge may be diluted if they become complacent in program development and implementation. It is important for Norway Savings Bank Arena to keep up with current trends in the ice skating industry and this will be accomplished through maintaining membership in appropriate organizations and by sending key staff members to industry work shops, conferences, and trade shows.

Sales Strategy

Success in the ice skating industry is based on the programming, service and amenities provided by the facility. The “something for everyone” slogan fits perfectly with The Norway Savings Bank Arena. All of the users of our facility must feel like they are getting the best possible value for their money. And parents must feel that their children are safe in the caring and capable hands of Norway Savings Bank Arena coaches and staff.

Each person desiring information on programs or memberships will be able to sit down with a staff member and be informed of the ice arena's options that are available to them. During this discussion, the person will also be informed of all of the services, programs, and amenities The Norway Savings Bank Arena has to offer. It is important to establish a relationship of trust with our guests, as retaining a customer base over time is a key aspect of this business.

Management Summary

The management team for Norway Savings Bank Arena will depend primarily on a General Manager, Facilities Supervisor, and Administrative Assistant. The management team will utilize their expertise and supervision backgrounds to hire, train, and oversee the operations of the Norway Savings Bank Arena.

Staff will be well trained in their areas of responsibility in order that The Norway Savings Bank Arena staff meets the guests needs as efficiently and effectively as possible. It is the intention to continually seek input from customers to meet their needs. This will be accomplished through user group and individual surveys, comment cards, staff feedback and program evaluation forms that seek input from guests registered in all programs.

Business Summary

The success of Norway Savings Bank Arena will be dependent upon effective management, marketing and pricing. Our partnership understands that arena marketing, operations, and even physical ice maintenance, requires a balancing of the demands of many competing associations, organizations, special interest groups and the general public. Even in a strong market, such as ours, project success will be dependent upon many management and operational factors. We understand and will continually address these factors to ensure the success of this project.

The current management staff came into the facility in June of 2014, and has been redeveloping the Norway Savings Bank Arena budget. As the budget had been previously set, the Norway Savings Bank Arena would have suffered a loss of close to \$500,000. Through creative programming and working with existing user groups that

short fall has been closed to an estimated \$400,000. With the current lease agreement with Slap Shot LLC absorbing roughly 60% of the gross revenue we feel this is unsustainable. I am not familiar with the current bond rates or taxes, but this may be something to look into in the immediate future. There is potential to greatly reduce the debt service payment.

Our goal is to create new programs and camps that will use ice during the peak and non peak season. These programs will create additional revenue long term. In the short term, it will take time for these to grow and become established. The creation of new tournaments along with the continued growth of existing tournaments will create a long term revenue source as well as attract participants to area business and hotels.

Also, we are exploring turf and a fitness center for the Arena. These will provide income that is not dependent on the ice. There are only so many hours in a day that people can skate and we feel it is extremely important to try and bring in other sources of revenue. This spring we plan to ice out rink 1 and compare the energy savings to the energy used when both sheets have ice. The Arena has not been operational for one full fiscal year; we really need to see the actuals for one or two years to determine where the gaps in the scheduling are as well as the utility usage. Over the next couple of years this will help to accurately forecast the operational expenses of the Arena.

FINANCIAL ASSUMPTIONS

FINANCING

Currently our debt service is \$42,207.02 per month or \$506,484.24 per year. As previously mentioned; there is potential for significant savings through the possibility of the City bonding the Arena. We strongly suggest that the City consider this once all of the information is gathered.

INCOME

Revenues are based on the programming schedule that can be found on the next two pages. It is important to maintain a consistent and balanced schedule for the growth of the programs, which relate directly to the growth in revenue. The ice arena will be open 52 weeks in the year. The months of September through February will be the most heavily scheduled season, representing 25 weeks of the year. The following schedule shows a 115 hours being scheduled per week. The month of March, April and May, traditionally show a decrease in hours scheduled to 57 hours per week as Rink #1 will have the ice removed during this time period and into the June through August schedule as well. These months represent 12 weeks of the year. From June through August (13 weeks) rentals again pick up slightly with 62 hours per week being utilized. The hourly rental for the ice is currently set at \$225 per hour. We are researching a rate increase to \$235 per hour for fiscal year 2016.

Again, the next several pages provide the schedules that the majority of revenues are based upon.

**NORWAY SAVINGS BANK ARENA
SCHEDULE & USAGE FOR RINK 1
SURFACE 200'x85'**

SEP THROUGH
FEB

	MON	TUE	WED	THU	FRI	SAT	SUN
		HS Hockey		HS Hockey			
5:00 AM							
6:00 AM							
7:00 AM							
8:00 AM	Figure Lo						
9:00 AM						YouthH	YouthH
10:00 AM						YouthH	YouthH
11:00 AM						YouthH	YouthH
12:00 PM		Drop-In H		Drop-In H		YouthH	YouthH
1:00 PM						YouthH	YouthH
2:00 PM		Rental		Rental		YouthH	YouthH
3:00 PM						YouthH	SMMSHL
4:00 PM	HS Hockey	HS Hockey	HS Hockey	HS Hockey	HS Hockey	YouthH	SMMSHL
5:00 PM	HS Hockey	HS Hockey	HS Hockey	HS Hockey	HS Hockey	HS Hockey	SMMSHL
6:00 PM	HS Hockey	HS Hockey	HS Hockey	HS Hockey	HS Hockey	HS Hockey	Adult H
7:00 PM	YouthH	YouthH		YouthH	YouthH		Adult H
8:00 PM	YouthH	YouthH		YouthH	YouthH		Adult H
9:00 PM					Adult H	Adult H	Adult H
10:00 PM			Adult H	Adult H	Adult H		Broomball
11:00 PM			Adult H	Adult H			
12:00 AM							

MAR-
MAY

	MON	TUE	WED	THU	FRI	SAT	SUN
5:00 AM							
6:00 AM							
7:00 AM							
8:00 AM							
9:00 AM							
10:00 AM							
11:00 AM							
12:00 PM							
1:00 PM							
2:00 PM							
3:00 PM							
4:00 PM							

5:00 PM							
6:00 PM							
7:00 PM							
8:00 PM							
9:00 PM							
10:00 PM							
11:00 PM							
12:00 AM							

JUN-JUL-AUG

	MON	TUE	WED	THU	FRI	SAT	SUN
5:00 AM							
6:00 AM							
7:00 AM							
8:00 AM							
9:00 AM							
10:00 AM							
11:00 AM							
12:00 PM							
1:00 PM							
2:00 PM							
3:00 PM							
4:00 PM							
5:00 PM							
6:00 PM							
7:00 PM							
8:00 PM							
9:00 PM							
10:00 PM							
11:00 PM							
12:00 AM							

**NORWAY SAVINGS BANK ARENA
SCHEDULE & USAGE FOR RINK 2
SURFACE 200'x85'**

SEP THROUGH FEB

	MON	TUE	WED	THU	FRI	SAT	SUN
5:00 AM		Rental	HS Hockey	Rental			
6:00 AM							
7:00 AM							
8:00 AM							
9:00 AM							
10:00 AM			School			YouthH	YouthH
11:00 AM						YouthH	YouthH
12:00 PM	Drop-In H	Drop-In H	Public S	Drop-In H	Drop-In H	YouthH	YouthH
1:00 PM			Public S			YouthH	YouthH
2:00 PM						YouthH	Public S
3:00 PM	HS Hockey	HS Hockey		HS Hockey	HS Hockey	YouthH	Public S
4:00 PM	HS Hockey	HS Hockey		HS Hockey	HS Hockey	YouthH	SMMSHL
5:00 PM	HS Hockey	HS Hockey		HS Hockey	HS Hockey		SMMSHL
6:00 PM	YouthH	YouthH		YouthH	YouthH		SMMSHL
7:00 PM	YouthH	YouthH		YouthH	YouthH	HS Hockey	Adult H
8:00 PM						HS Hockey	Adult H
9:00 PM		Adult H	Adult H	Adult H		HS Hockey	Adult H
10:00 PM					Drop-In H		
11:00 PM							
12:00 AM							

MAR-MAY

	MON	TUE	WED	THU	FRI	SAT	SUN
5:00 AM							
6:00 AM							
7:00 AM							
8:00 AM							
9:00 AM							
10:00 AM			School				
11:00 AM	Lssn	Lssn	Lssn				Rental
12:00 PM	Lssn	Lssn	Public S				Rental

1:00 PM			Public S			YouthH	Rental
2:00 PM							Public S
3:00 PM		Drop-In H		Drop-In H			Public S
4:00 PM	Clinic	Clinic	Clinic	Clinic	Clinic	Rental	Rental
5:00 PM	Clinic	Clinic	Clinic	Clinic	Clinic	Rental	Clinic
6:00 PM	YouthH	Rental	YouthH	YouthH	YouthH	YouthH	Clinic
7:00 PM	YouthH	Rental	YouthH	YouthH	YouthH	YouthH	Adult H
8:00 PM	Adult H	Adult H	YouthH	Adult H	YouthH	YouthH	Adult H
9:00 PM	Adult H	Adult H	Adult H	Adult H	YouthH	YouthH	
10:00 PM							
11:00 PM							
12:00 AM							

JUN-JUL-
AUG

	MON	TUE	WED	THU	FRI	SAT	SUN
5:00 AM							
6:00 AM							
7:00 AM							
8:00 AM					Figure Lo	YouthH	
9:00 AM						YouthH	
10:00 AM				Lssn	Lssn	YouthH	
11:00 AM				Lssn	Lssn	Rental	
12:00 PM	Drop-In H	Rental	Public S	Rental	Drop-In H	Rental	
1:00 PM			Public S			Rental	
2:00 PM	Clinic	Clinic	Clinic	Clinic	Clinic		Public S
3:00 PM	Clinic	Clinic	Clinic	Clinic	Clinic		Public S
4:00 PM	Clinic	Clinic	Clinic	Clinic	Clinic	Drop-In H	
5:00 PM		HS Hockey	YouthH	HS Hockey			
6:00 PM	Drop-In H	HS Hockey	YouthH	HS Hockey	Drop-In H		Adult H
7:00 PM	YouthH	HS Hockey	Adult H	HS Hockey	YouthH		Adult H
8:00 PM	YouthH	HS Hockey	Adult H	HS Hockey	Teen		Rental
9:00 PM	Rental	Adult H		Adult H	Teen		Rental
10:00 PM							
11:00 PM							
12:00 AM							

**NORWAY SAVINGS BANK ARENA
HOURLY RENTAL BY USER GROUP**

	SEP-FEB	MAR-MAY	JUN-AUG		TOTAL HOURS		%
ADULT HOCKEY	425	108	78		611		14%
HIGH SCHOOL HOCKEY	825	0	104		929		21%
DROP-IN HOCKEY	175	24	78		277		6%
YOUTH HOCKEY	1025	192	104		1,321		30%
PUBLIC SKATE	100	48	52		200		5%
FIGURE SKATE HI	0	0	0		-		0%
FIGURE SKATE LO	25	0	13		38		1%
CAMPS & CLINICS	0	144	195		339		8%
BROOMBALL	25	0	0		25		1%
0	0	0	0		-		0%
LSSN	0	60	52		112		3%
TOURNAMENT	0	0	0		-		0%
PRIVATE RENTALS	100	96	104		300		7%
SMMSHL	150	0	0		150		3%
TEEN SKATE	0	0	26		26		1%
SCHL GRPS	25	12	0		37		1%
TOTAL	2,875	684	806		4,365		100%

# OF PUBLIC SESSIONS						
PUBLIC SKATE	50	24	26		100	
TEEN SKATE	-	-	13		13	

# WEEKS = 50						%
2 WEEKS FOR MAINT	25	12	13		50	HOURS
WEEKLY HRS SCHEDULED	115	57	62			
USED ICE HRS	2,875	684	806		4,365	31%
UNUSED ICE	4,125	2,676	2,834		9,635	69%
HRS AVAILABLE AT 20/DAY	7,000	3,360	3,640		14,000	100%
% UNUSED	59%	80%	78%		69%	
# SHEETS OF ICE	2	2	2		2	

**NORWAY SAVINGS BANK ARENA
SUMMARY OPERATIONAL ASSUMPTIONS**

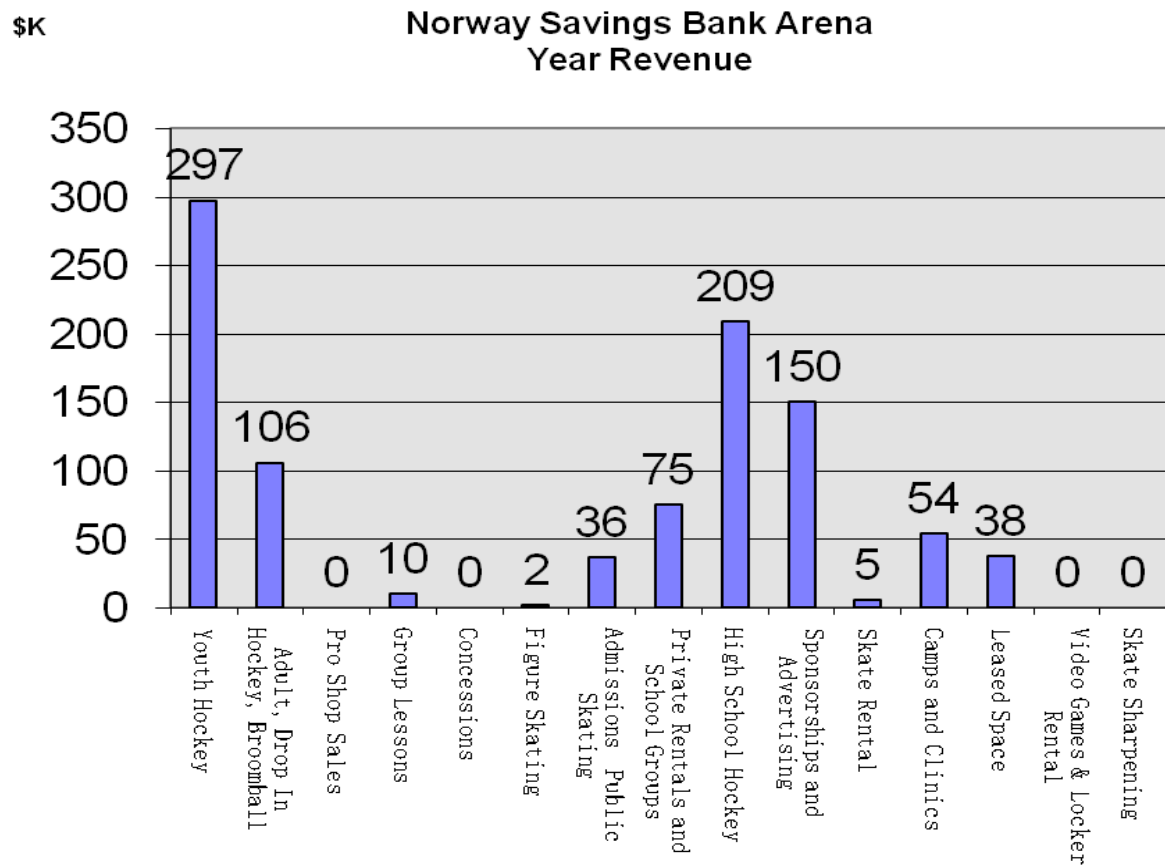
INCOME	RINK 1 + 2 HOURS	\$/HR RATE	# USERS	\$/USER RATE
ADULT HOCKEY	611	\$ 225.00		
DROP-IN HOCKEY or STICK TIME	277		12	\$ 10.00
PUBLIC SKATE	200			
YOUTH HOCKEY	1,321	\$ 225.00		
HIGH SCHOOL HOCKEY	929	\$ 225.00		
FIGURE SKATE HI	-		10	\$ 8.00
FIGURE SKATE LO	38		6	\$ 8.00
CAMPS & CLINICS	339		8	\$ 20.00
BROOMBALL	25	\$ 150.00		
LSSN	112		10	\$ 9.00
TOURNAMENTS	-	\$ 225.00		
PRIVATE RENTALS	300	\$ 225.00		
SMMSHL	150	\$225		
TEEN SKATE	26			
SCHL GRPS	37	\$ 200.00		
TOTAL	4,365			

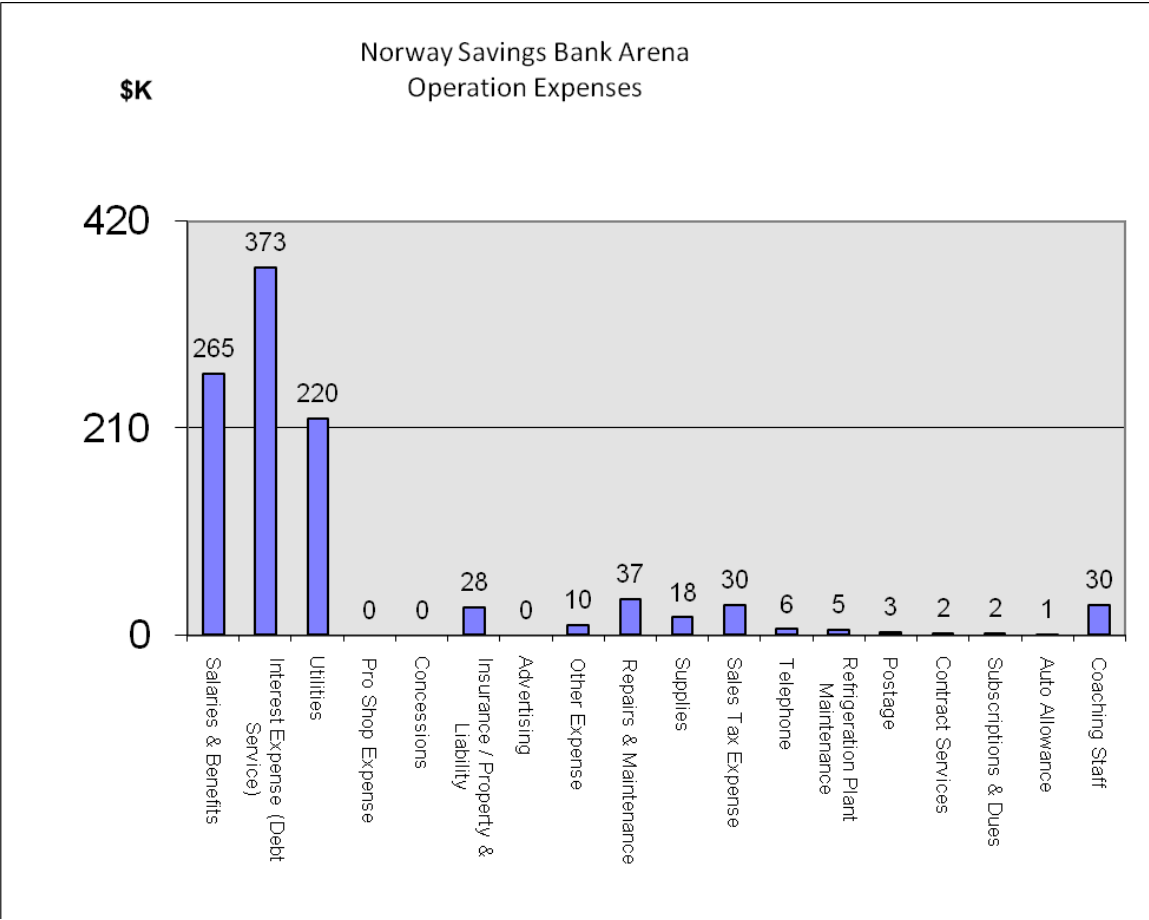
PUBLIC SKATE	100		70	\$ 5.00
TEEN SKATE	13		20	\$ 5.00
SKATE RENTAL			25%	\$ 3.00

CALCULATIONS
68,738
33,240
-
297,225
209,025
-
1,824
54,240
3,750
10,080
-
67,500
33,750
-
7,400
35,000
1,300
5,445
828,517

**NORWAY SAVINGS BANK ARENA
PROJECTED QTRLY INCOME STATEMENT**

REVENUES	QTR 1	QTR 2	QTR 3	QTR 4	Total	% TIL Rev/Exp
Admissions Public Skating	\$ 8,633	\$ 9,067	\$ 9,850	\$ 8,750	\$ 36,300	4%
Skate Rental	1,295	1,360	1,478	1,313	5,445	1%
Group Lessons	1,800	5,160	3,120	-	10,080	1%
Figure Skating	400	208	616	600	1,824	0%
Youth Hockey Rental	91,275	36,600	54,038	115,313	297,225	30%
Camps & Clinics	7,680	25,760	20,800	-	54,240	6%
Adult Hockey, Drop In Hockey, Broomball	29,198	16,065	24,184	36,281	105,728	11%
Private Rentals and School Groups	17,167	23,800	20,183	13,750	74,900	8%
Concessions - Food & Beverage	-	-	-	-	-	0%
Concessions - Vending	-	-	-	-	-	0%
High School Hockey	61,875	7,800	46,538	92,813	209,025	21%
Pro Shop Sales	-	-	-	-	-	0%
Sponsorships and Advertising	37,500	37,500	37,500	37,500	150,000	15%
Leased Space	9,375	9,375	9,375	9,375	37,500	4%
Video Games & Locker Rental	-	-	-	-	-	0%
Skate Sharpening	-	-	-	-	-	0%
TOTAL REVENUES	\$ 266,198	\$ 172,695	\$ 227,681	\$ 315,694	\$ 982,267	100%
OPERATING EXPENSES						
F/T Salaries	\$ 52,593	\$ 52,593	\$ 52,593	\$ 52,593	\$ 210,370	17%
P/T Salaries	-	-	-	-	-	0%
Social Security Tax	4,441	2,548	3,661	5,443	16,093	1%
Employee Benefits	8,415	8,415	8,415	8,415	33,659	3%
Work Comp Insurance	1,250	1,250	1,250	1,250	5,000	0%
Insurance / Property & Liability	7,000	7,000	7,000	7,000	28,000	2%
Property Taxes	-	-	-	-	-	0%
Concessions - Food & Beverage	-	-	-	-	-	0%
Pro Shop Expense	-	-	-	-	-	0%
Advertising	5,519	3,166	4,550	6,765	20,000	2%
Auto Allowance	138	79	114	169	500	0%
Capital Improvement	13,798	7,916	11,375	16,912	50,000	4%
Contract Services	552	317	455	676	2,000	0%
Coaching Staff	8,279	4,749	6,825	10,147	30,000	2%
Postage	828	475	682	1,015	3,000	0%
R & M Equipment	2,346	1,346	1,934	2,875	8,500	1%
R & M Facilities	2,346	1,346	1,934	2,875	8,500	1%
R & M Grounds	5,000	4,800	4,800	5,400	20,000	2%
Coaching Staff	8,279	4,749	6,825	10,147	30,000	2%
Subscriptions & Dues	552	317	455	676	2,000	0%
Supplies	4,967	2,850	4,095	6,088	18,000	1%
Telephone	1,656	950	1,365	2,029	6,000	0%
Refrigeration Plant Maintenance	1,380	792	1,137	1,691	5,000	0%
Utilities	55,000	55,000	55,000	55,000	220,000	18%
Other Expense	2,760	1,583	2,275	3,382	10,000	1%
Interest Expense (Debt Service)	93,202	93,202	93,202	93,202	372,808	30%
Principal Payment	33,659.25	33,659.25	33,659.25	33,659.25	134,637	11%
TOTAL EXPENSES	\$ 313,958	\$ 289,099	\$ 303,600	\$ 327,411	\$ 1,234,067	100%
* INCOME(LOSS)	\$ (47,760)	\$ (116,405)	\$ (75,919)	\$ (11,717)	\$ (251,801)	





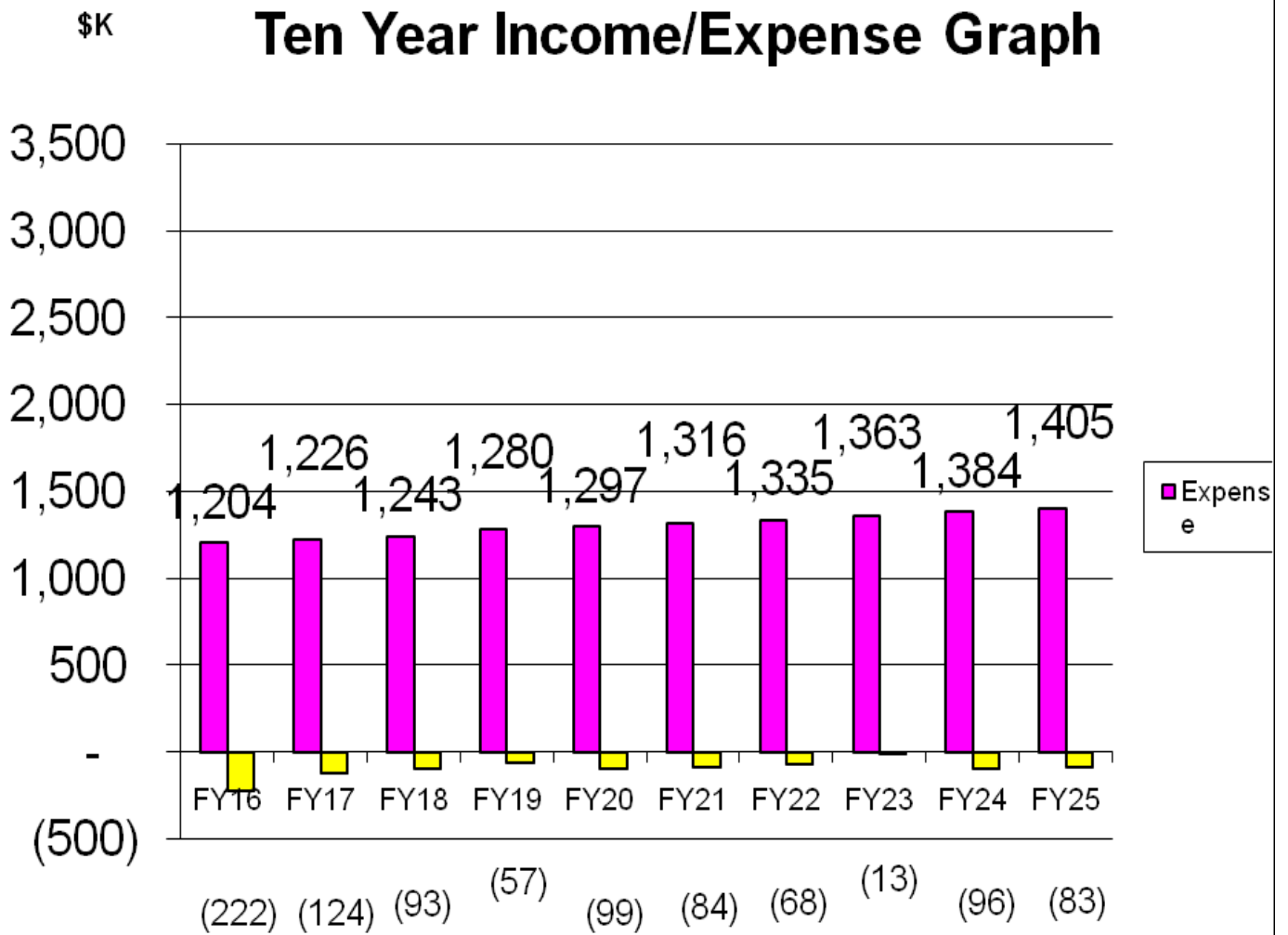
NORWAY SAVINGS BANK ARENA
PROJECTED MONTHLY INCOME STATEMENT

REVENUES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
Admissions - Public Skating	2,917	2,917	2,800	2,800	2,800	3,467	3,467	3,467	2,917	2,917	2,917	2,917	36,300	\$ 36,300
Skate Rental	438	438	420	420	420	520	520	520	438	438	438	438	5,445	\$ 5,445
Group Lessons	-	-	1,800	1,800	1,800	1,560	1,560	1,560	-	-	-	-	10,080	\$ 10,080
Figure Skating	200	200	-	-	-	208	208	208	200	200	200	200	1,824	\$ 1,824
Youth Hockey Rental	38,438	38,438	14,400	14,400	14,400	7,800	7,800	7,800	38,438	38,438	38,438	38,438	297,225	\$ 297,225
Camps & Clinics	-	-	7,680	7,680	7,680	10,400	10,400	10,400	-	-	-	-	54,240	\$ 54,240
Adult Hockey, Drop in Hockey,	12,094	12,094	5,010	5,010	5,010	6,045	6,045	6,045	12,094	12,094	12,094	12,094	105,728	\$ 105,728
High School Hockey	30,938	30,938	-	-	-	7,800	7,800	7,800	30,938	30,938	30,938	30,938	209,025	\$ 209,025
Private Rentals and School Grc	4,583	4,583	8,000	8,000	8,000	7,800	7,800	7,800	4,583	4,583	4,583	4,583	74,900	\$ 74,900
Concessions - Food & Beverage	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Concessions - Vending	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Pro Shop Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Sponsorships and Advertising	-	-	37,500	-	-	-	-	-	-	-	-	-	37,500	\$ 150,000
Leased Space	-	-	9,375	-	-	9,375	-	-	9,375	-	-	-	37,500	\$ 150,000
Video Games & Locker Rental	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Skate Sharpening	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
TOTAL REVENUES	89,606	89,606	86,985	40,110	40,110	92,475	45,600	45,600	136,481	89,606	89,606	136,481	982,267	\$ 982,267
EXPENSES														
F/T Salaries	17,531	17,531	17,531	17,531	17,531	17,531	17,531	17,531	17,531	17,531	17,531	17,531	210,370	\$ 210,370
P/T Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Social Security Tax	1,814	1,814	812	812	812	923	923	923	1,814	1,814	1,814	1,814	16,093	\$ 16,093
Employee Benefits	2,805	2,805	2,805	2,805	2,805	2,805	2,805	2,805	2,805	2,805	2,805	2,805	33,659	\$ 33,659
Work Comp Insurance	417	417	417	417	417	417	417	417	417	417	417	417	5,000	\$ 5,000
Insurance / Property & Liability	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	28,000	\$ 28,000
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Concessions - Food & Beverage	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Pro Shop Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Advertising	2,255	2,255	1,009	1,009	1,009	1,147	1,147	1,147	2,255	2,255	2,255	2,255	20,000	\$ 20,000
Auto Allowance	56	56	25	25	25	29	29	29	56	56	56	56	500	\$ 500
Capital Improvement	5,637	5,637	2,523	2,523	2,523	2,869	2,869	2,869	5,637	5,637	5,637	5,637	50,000	\$ 50,000
Contract Services	225	225	101	101	101	115	115	115	225	225	225	225	2,000	\$ 2,000
Postage	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
R & M Equipment	338	338	151	151	151	172	172	172	338	338	338	338	3,000	\$ 3,000
R & M Facilities	958	958	429	429	429	488	488	488	958	958	958	958	8,500	\$ 8,500
R & M Grounds	958	958	429	429	429	488	488	488	958	958	958	958	8,500	\$ 8,500
Coaching Staff	1,800	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,800	1,800	1,800	1,800	20,000	\$ 20,000
Subscriptions & Dues	3,382	3,382	1,514	1,514	1,514	1,721	1,721	1,721	3,382	3,382	3,382	3,382	30,000	\$ 30,000
Supplies	225	225	101	101	101	115	115	115	225	225	225	225	2,000	\$ 2,000
Telephone	2,029	2,029	908	908	908	1,033	1,033	1,033	2,029	2,029	2,029	2,029	18,000	\$ 18,000
Refrigeration Plant Maintenance	676	676	303	303	303	344	344	344	676	676	676	676	6,000	\$ 6,000
Utilities	564	564	252	252	252	287	287	287	564	564	564	564	5,000	\$ 5,000
Other Expense	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	220,000	\$ 220,000
Interest Expense (Debt Service)	1,127	1,127	505	505	505	574	574	574	1,127	1,127	1,127	1,127	10,000	\$ 10,000
Principal Payment	31,067	31,067	31,067	31,067	31,067	31,067	31,067	31,067	31,067	31,067	31,067	31,067	372,808	\$ 372,808
TOTAL EXPENSES	\$ (10,990.23)	(11,031)	\$ (11,072.81)	\$ (11,114.34)	\$ (11,156.02)	\$ (11,197.85)	\$ (11,239.84)	\$ (11,281.99)	\$ (11,324.30)	\$ (11,366.77)	\$ (11,409.39)	\$ (11,452.18)	(134,637)	\$ 134,637
* INCOME(LOSS)	\$ 6,062	\$ 6,303	\$ 14,908	\$ (31,926)	\$ (31,884)	\$ 19,282	\$ (27,551)	\$ (27,509)	\$ 53,471	\$ 6,438	\$ 6,481	\$ 53,399	\$ 47,473	\$ (221,801)

NORWAY SAVINGS BANK ARENA
10 YR PROJECTED INCOME STATEMENT

REVENUES	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
Admissions Public Skating	\$ 36,300	\$ 37,389	\$ 38,511	\$ 42,362	\$ 41,515	\$ 42,760	\$ 44,043	\$ 48,447	\$ 46,025	\$ 47,405	\$ 424,756
Skate Rental	5,445	5,608	5,777	6,354	6,227	6,352	6,479	6,997	6,647	6,780	62,666
Group Lessons	10,080	10,786	11,541	12,925	12,867	13,554	14,502	16,243	15,918	17,032	136,247
Figure Skating	1,824	1,897	2,011	2,212	2,433	2,482	2,531	2,734	2,597	2,649	23,370
Youth Hockey Rental	297,225	306,142	315,326	331,092	324,470	334,205	344,231	361,442	343,370	350,238	3,307,741
Camps & Clinics	54,240	58,037	62,680	70,201	68,797	73,613	79,502	89,042	87,262	93,370	736,744
Adult Hockey, Drop In Hockey, Broomball	105,728	109,957	120,952	130,628	128,016	133,137	138,462	149,539	142,062	147,744	1,306,225
High School Hockey	209,025	215,296	221,755	232,842	228,186	232,749	237,404	249,274	236,811	241,547	2,304,889
Private Rentals and School Groups	74,900	76,398	77,926	81,043	79,422	81,011	82,631	85,936	81,639	83,272	804,178
Concessions - Food & Beverage	-	-	-	-	-	-	-	-	-	-	-
Concessions - Vending	-	-	-	-	-	-	-	-	-	-	-
Pro Shop Sales	-	-	-	-	-	-	-	-	-	-	-
Sponsorships and Advertising	150,000	242,250	254,363	274,712	269,217	274,602	280,094	302,501	287,376	293,124	2,628,237
Leased Space	37,500	37,875	38,254	38,254	37,489	37,489	37,864	37,864	38,242	38,242	379,071
Video Games & Locker Rental	-	-	-	-	-	-	-	-	-	-	-
Skate Sharpening	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 982,267	\$ 1,101,634	\$ 1,149,093	\$ 1,222,626	\$ 1,198,439	\$ 1,231,951	\$ 1,267,742	\$ 1,350,019	\$ 1,287,949	\$ 1,321,403	\$ 12,113,123
EXPENDITURES											
F/T Salaries	\$ 210,370	\$ 216,681	\$ 223,182	\$ 229,877	\$ 236,773	\$ 243,876	\$ 251,193	\$ 258,729	\$ 266,490	\$ 274,485	\$ 2,411,656
P/T Salaries	-	-	-	-	-	-	-	-	-	-	-
Social Security Tax	16,093	16,576	17,073	17,586	18,113	18,657	19,216	19,793	20,387	20,998	184,492
Employee Benefits	33,659	34,332	35,019	36,770	37,505	38,255	39,021	39,801	40,597	41,409	376,369
Work Comp Insurance	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	54,749
Insurance / Property & Liability	28,000	28,560	29,131	29,714	30,308	30,914	31,533	32,163	32,806	33,463	306,592
Property Taxes	-	-	-	-	-	-	-	-	-	-	-
Concessions - Food & Beverage	-	-	-	-	-	-	-	-	-	-	-
Pro Shop Expense	-	-	-	-	-	-	-	-	-	-	-
Advertising	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	218,994
Auto Allowance	500	505	510	515	520	526	531	536	541	547	5,231
Capital Improvement	50,000	50,500	51,005	51,515	52,030	52,551	53,076	53,607	54,143	54,684	523,111
Contract Services	2,000	2,020	2,040	2,061	2,081	2,102	2,123	2,144	2,166	2,187	20,924
0	-	-	-	-	-	-	-	-	-	-	-
Postage	3,000	3,030	3,060	3,091	3,122	3,153	3,185	3,216	3,249	3,281	31,387
R & M Equipment	8,500	8,925	9,818	10,308	10,824	11,365	11,933	12,530	13,156	13,814	111,173
R & M Facilities	8,500	8,925	9,371	9,840	10,332	10,848	11,391	11,960	12,558	13,186	106,912
R & M Grounds	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	218,994
Coaching Staff	30,000	30,300	30,600	30,900	30,603	30,603	30,909	30,909	31,218	31,218	306,060
Subscriptions & Dues	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
Supplies	18,000	18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090	21,512	197,055
Telephone	6,000	6,120	6,242	6,367	6,495	6,619	6,743	6,866	6,987	7,109	66,712
Refrigeration Plant Maintenance	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	54,749
Utilities	220,000	231,000	236,620	247,401	252,349	257,396	262,544	275,671	281,185	286,808	2,549,974
Other Expense	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000
Interest Expense (Debt Service)	372,808	366,623	360,153	353,387	346,309	338,907	331,164	323,066	314,596	305,736	3,412,749
Principal Payment	134,637	140,822.36	147,291.72	167,211.54	174,239.81	182,927.78	192,048.94	201,624.90	211,687.34	222,233.07	1,774,724
TOTAL EXPENSES	\$ 1,204,067	\$ 1,225,980	\$ 1,242,564	\$ 1,280,105	\$ 1,297,210	\$ 1,315,978	\$ 1,335,402	\$ 1,362,956	\$ 1,383,689	\$ 1,404,988	\$ 13,052,649
INCOME(LOSS) Before Taxes	\$ (221,801)	\$ (124,346)	\$ (93,471)	\$ (57,479)	\$ (98,771)	\$ (84,026)	\$ (67,659)	\$ (12,936)	\$ (95,740)	\$ (83,293)	\$ (939,525)

Norway Savings Bank Arena Ten Year Income/Expense Graph



Norway Savings Bank Arena

Usage Statistics by Customer Type - Customer/Event Type Detail

9/1/2014 to 3/31/2015 / Sun, Mon, Tues, Wed, Thurs, Fri, Sat / 12:00 AM to 12:00 AM / w/Int Cust

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All Facilities

<u>Customer Type</u>		- - - Hours Adjusted for Time Range - - -				- - - - - Full Hours for Events in the Time Range - - - - -						
<u>Customer</u>	<u>Event Type</u>	<u>Hours</u>	<u>% Total</u>	<u>Facility Rev.</u>	<u>% Total</u>	<u>Hours</u>	<u>% Total</u>	<u>Facility Rev.</u>	<u>Other Chgs</u>	<u>Tax</u>	<u>Tot Revenue</u>	<u>% Total</u>
Adult Programming		293.0	11.87%	\$64,175.00	12.71%	293.0	11.87%	\$64,175.00	\$0.00	\$0.00	\$64,175.00	12.71%
Boston Kremes		69.0	2.79%	\$15,525.00	3.08%	69.0	2.79%	\$15,525.00	\$0.00	\$0.00	\$15,525.00	3.08%
	Adult leagues	69.0	2.79%	\$15,525.00	3.08%	69.0	2.79%	\$15,525.00	\$0.00	\$0.00	\$15,525.00	3.08%
Geno Veilleux		48.0	1.94%	\$9,650.00	1.91%	48.0	1.94%	\$9,650.00	\$0.00	\$0.00	\$9,650.00	1.91%
	Adult leagues	48.0	1.94%	\$9,650.00	1.91%	48.0	1.94%	\$9,650.00	\$0.00	\$0.00	\$9,650.00	1.91%
L/A Seniors Hockey League		170.0	6.89%	\$37,650.00	7.46%	170.0	6.89%	\$37,650.00	\$0.00	\$0.00	\$37,650.00	7.46%
	Adult leagues	170.0	6.89%	\$37,650.00	7.46%	170.0	6.89%	\$37,650.00	\$0.00	\$0.00	\$37,650.00	7.46%
Rousseau's Hockey Clinic, Inc		6.0	0.24%	\$1,350.00	0.27%	6.0	0.24%	\$1,350.00	\$0.00	\$0.00	\$1,350.00	0.27%
	Camp/clinics	6.0	0.24%	\$1,350.00	0.27%	6.0	0.24%	\$1,350.00	\$0.00	\$0.00	\$1,350.00	0.27%
Internal Programming		186.5	7.55%	\$450.00	0.09%	186.5	7.55%	\$450.00	\$0.00	\$0.00	\$450.00	0.09%
Auburn Parks & Rec		2.0	0.08%	\$450.00	0.09%	2.0	0.08%	\$450.00	\$0.00	\$0.00	\$450.00	0.09%
	Instructional Skate	2.0	0.08%	\$450.00	0.09%	2.0	0.08%	\$450.00	\$0.00	\$0.00	\$450.00	0.09%
Christy Gardner		4.0	0.16%	\$0.00	0.00%	4.0	0.16%	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Practice	4.0	0.16%	\$0.00	0.00%	4.0	0.16%	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Norway Savings Bank Arena		15.5	0.63%	\$0.00	0.00%	15.5	0.63%	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Boys Varsity Game	14.0	0.57%	\$0.00	0.00%	14.0	0.57%	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Practice	0.5	0.02%	\$0.00	0.00%	0.5	0.02%	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Private Rental	1.0	0.04%	\$0.00	0.00%	1.0	0.04%	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
NSBA Adult Pick Up		18.0	0.73%	\$0.00	0.00%	18.0	0.73%	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Adult Pick Up	18.0	0.73%	\$0.00	0.00%	18.0	0.73%	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Public Skate		110.0	4.46%	\$0.00	0.00%	110.0	4.46%	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Public Skate	110.0	4.46%	\$0.00	0.00%	110.0	4.46%	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

Norway Savings Bank Arena

Usage Statistics by Customer Type - Customer/Event Type Detail

9/1/2014 to 3/31/2015 / Sun, Mon, Tues, Wed, Thurs, Fri, Sat / 12:00 AM to 12:00 AM / w/Int Cust

All Facilities

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<u>Customer Type</u>		- - - Hours Adjusted for Time Range - - -				- - - - - Full Hours for Events in the Time Range - - - - -						
<u>Customer</u>	<u>Event Type</u>	<u>Hours</u>	<u>% Total</u>	<u>Facility Rev.</u>	<u>% Total</u>	<u>Hours</u>	<u>% Total</u>	<u>Facility Rev.</u>	<u>Other Chgs</u>	<u>Tax</u>	<u>Tot Revenue</u>	<u>% Total</u>
Shinny Hockey		37.0	1.50%	\$0.00	0.00%	37.0	1.50%	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Shinny Hockey	37.0	1.50%	\$0.00	0.00%	37.0	1.50%	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Private Rental		225.33	9.13%	\$43,262.99	8.57%	225.33	9.13%	\$43,262.99	\$0.00	\$0.00	\$43,262.99	8.57%
Andre Levasseur		4.0	0.16%	\$700.00	0.14%	4.0	0.16%	\$700.00	\$0.00	\$0.00	\$700.00	0.14%
	Private Rental	4.0	0.16%	\$700.00	0.14%	4.0	0.16%	\$700.00	\$0.00	\$0.00	\$700.00	0.14%
Auburn MS Hockey Club		3.0	0.12%	\$675.00	0.13%	3.0	0.12%	\$675.00	\$0.00	\$0.00	\$675.00	0.13%
	Private Rental	3.0	0.12%	\$675.00	0.13%	3.0	0.12%	\$675.00	\$0.00	\$0.00	\$675.00	0.13%
Blue Line Sporting Goods		30.0	1.22%	\$6,750.00	1.34%	30.0	1.22%	\$6,750.00	\$0.00	\$0.00	\$6,750.00	1.34%
	Private Rental	30.0	1.22%	\$6,750.00	1.34%	30.0	1.22%	\$6,750.00	\$0.00	\$0.00	\$6,750.00	1.34%
Bob Berube		79.33	3.21%	\$13,013.00	2.58%	79.33	3.21%	\$13,013.00	\$0.00	\$0.00	\$13,013.00	2.58%
	Tournament	79.33	3.21%	\$13,013.00	2.58%	79.33	3.21%	\$13,013.00	\$0.00	\$0.00	\$13,013.00	2.58%
Brenda Williams		21.0	0.85%	\$4,725.00	0.94%	21.0	0.85%	\$4,725.00	\$0.00	\$0.00	\$4,725.00	0.94%
	Private Rental	21.0	0.85%	\$4,725.00	0.94%	21.0	0.85%	\$4,725.00	\$0.00	\$0.00	\$4,725.00	0.94%
Chris Clark		11.0	0.45%	\$2,475.00	0.49%	11.0	0.45%	\$2,475.00	\$0.00	\$0.00	\$2,475.00	0.49%
	Private Rental	11.0	0.45%	\$2,475.00	0.49%	11.0	0.45%	\$2,475.00	\$0.00	\$0.00	\$2,475.00	0.49%
Graeme Townshend		12.0	0.49%	\$2,700.00	0.53%	12.0	0.49%	\$2,700.00	\$0.00	\$0.00	\$2,700.00	0.53%
	Private Rental	12.0	0.49%	\$2,700.00	0.53%	12.0	0.49%	\$2,700.00	\$0.00	\$0.00	\$2,700.00	0.53%
Joshua Choiniere		7.0	0.28%	\$1,575.00	0.31%	7.0	0.28%	\$1,575.00	\$0.00	\$0.00	\$1,575.00	0.31%
	Private Rental	7.0	0.28%	\$1,575.00	0.31%	7.0	0.28%	\$1,575.00	\$0.00	\$0.00	\$1,575.00	0.31%
Martha McCarthy		22.0	0.89%	\$4,950.00	0.98%	22.0	0.89%	\$4,950.00	\$0.00	\$0.00	\$4,950.00	0.98%
	Adult leagues	22.0	0.89%	\$4,950.00	0.98%	22.0	0.89%	\$4,950.00	\$0.00	\$0.00	\$4,950.00	0.98%

Norway Savings Bank Arena

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Usage Statistics by Customer Type - Customer/Event Type Detail

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9/1/2014 to 3/31/2015 / Sun, Mon, Tues, Wed, Thurs, Fri, Sat / 12:00 AM to 12:00 AM / w/Int Cust

All Facilities

<u>Customer Type</u>		- - - Hours Adjusted for Time Range - - -				- - - - - Full Hours for Events in the Time Range - - - - -						
<u>Customer</u>	<u>Event Type</u>	<u>Hours</u>	<u>% Total</u>	<u>Facility Rev.</u>	<u>% Total</u>	<u>Hours</u>	<u>% Total</u>	<u>Facility Rev.</u>	<u>Other Chgs</u>	<u>Tax</u>	<u>Tot Revenue</u>	<u>% Total</u>
Mike Berube		10.0	0.41%	\$1,500.00	0.30%	10.0	0.41%	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.30%
	Private Rental	10.0	0.41%	\$1,500.00	0.30%	10.0	0.41%	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.30%
Private Rental		16.0	0.65%	\$2,174.99	0.43%	16.0	0.65%	\$2,174.99	\$0.00	\$0.00	\$2,174.99	0.43%
	Private Rental	11.0	0.45%	\$1,299.99	0.26%	11.0	0.45%	\$1,299.99	\$0.00	\$0.00	\$1,299.99	0.26%
	Tournament	5.0	0.20%	\$875.00	0.17%	5.0	0.20%	\$875.00	\$0.00	\$0.00	\$875.00	0.17%
SDA Middle School		1.0	0.04%	\$225.00	0.04%	1.0	0.04%	\$225.00	\$0.00	\$0.00	\$225.00	0.04%
	Private Rental	1.0	0.04%	\$225.00	0.04%	1.0	0.04%	\$225.00	\$0.00	\$0.00	\$225.00	0.04%
Timberwolves		9.0	0.36%	\$1,800.00	0.36%	9.0	0.36%	\$1,800.00	\$0.00	\$0.00	\$1,800.00	0.36%
	Private Rental	9.0	0.36%	\$1,800.00	0.36%	9.0	0.36%	\$1,800.00	\$0.00	\$0.00	\$1,800.00	0.36%
School Programming		622.83	25.23%	\$140,137.50	27.76%	622.83	25.23%	\$140,137.50	\$0.00	\$0.00	\$140,137.50	27.76%
Brunswick High School		12.0	0.49%	\$2,700.00	0.53%	12.0	0.49%	\$2,700.00	\$0.00	\$0.00	\$2,700.00	0.53%
	Practice	12.0	0.49%	\$2,700.00	0.53%	12.0	0.49%	\$2,700.00	\$0.00	\$0.00	\$2,700.00	0.53%
Cape Elizabeth High School		2.0	0.08%	\$450.00	0.09%	2.0	0.08%	\$450.00	\$0.00	\$0.00	\$450.00	0.09%
	Girls Varsity Practi	2.0	0.08%	\$450.00	0.09%	2.0	0.08%	\$450.00	\$0.00	\$0.00	\$450.00	0.09%
Edward Little High School		104.5	4.23%	\$23,512.50	4.66%	104.5	4.23%	\$23,512.50	\$0.00	\$0.00	\$23,512.50	4.66%
	Boys JV Game	3.0	0.12%	\$675.00	0.13%	3.0	0.12%	\$675.00	\$0.00	\$0.00	\$675.00	0.13%
	Boys Varsity Game	30.5	1.24%	\$6,862.50	1.36%	30.5	1.24%	\$6,862.50	\$0.00	\$0.00	\$6,862.50	1.36%
	Practice	71.0	2.88%	\$15,975.00	3.16%	71.0	2.88%	\$15,975.00	\$0.00	\$0.00	\$15,975.00	3.16%
Leavitt High School		63.0	2.55%	\$14,175.00	2.81%	63.0	2.55%	\$14,175.00	\$0.00	\$0.00	\$14,175.00	2.81%
	Boys JV Game	3.0	0.12%	\$675.00	0.13%	3.0	0.12%	\$675.00	\$0.00	\$0.00	\$675.00	0.13%
	Boys Varsity Game	16.0	0.65%	\$3,600.00	0.71%	16.0	0.65%	\$3,600.00	\$0.00	\$0.00	\$3,600.00	0.71%
	Practice	44.0	1.78%	\$9,900.00	1.96%	44.0	1.78%	\$9,900.00	\$0.00	\$0.00	\$9,900.00	1.96%

Norway Savings Bank Arena

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Usage Statistics by Customer Type - Customer/Event Type Detail

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9/1/2014 to 3/31/2015 / Sun, Mon, Tues, Wed, Thurs, Fri, Sat / 12:00 AM to 12:00 AM / w/Int Cust

All Facilities

Customer Type		- - - Hours Adjusted for Time Range - - -				- - - Full Hours for Events in the Time Range - - -						
Customer	Event Type	Hours	% Total	Facility Rev.	% Total	Hours	% Total	Facility Rev.	Other Chgs	Tax	Tot Revenue	% Total
Poland/Gray-New Gloucester HS		76.0	3.08%	\$17,100.00	3.39%	76.0	3.08%	\$17,100.00	\$0.00	\$0.00	\$17,100.00	3.39%
	Boys JV Game	4.0	0.16%	\$900.00	0.18%	4.0	0.16%	\$900.00	\$0.00	\$0.00	\$900.00	0.18%
	Boys Varsity Game	18.0	0.73%	\$4,050.00	0.80%	18.0	0.73%	\$4,050.00	\$0.00	\$0.00	\$4,050.00	0.80%
	Practice	54.0	2.19%	\$12,150.00	2.41%	54.0	2.19%	\$12,150.00	\$0.00	\$0.00	\$12,150.00	2.41%
Red Hornets		85.5	3.46%	\$19,237.50	3.81%	85.5	3.46%	\$19,237.50	\$0.00	\$0.00	\$19,237.50	3.81%
	Girls Varsity Game	26.5	1.07%	\$5,962.50	1.18%	26.5	1.07%	\$5,962.50	\$0.00	\$0.00	\$5,962.50	1.18%
	Girls Varsity Practi	59.0	2.39%	\$13,275.00	2.63%	59.0	2.39%	\$13,275.00	\$0.00	\$0.00	\$13,275.00	2.63%
Scarborough HS Boys		13.0	0.53%	\$2,925.00	0.58%	13.0	0.53%	\$2,925.00	\$0.00	\$0.00	\$2,925.00	0.58%
	Boys Varsity Game	4.0	0.16%	\$900.00	0.18%	4.0	0.16%	\$900.00	\$0.00	\$0.00	\$900.00	0.18%
	Practice	9.0	0.36%	\$2,025.00	0.40%	9.0	0.36%	\$2,025.00	\$0.00	\$0.00	\$2,025.00	0.40%
Scarborough HS Girls		17.67	0.72%	\$3,975.00	0.79%	17.67	0.72%	\$3,975.00	\$0.00	\$0.00	\$3,975.00	0.79%
	Girls Varsity Game	7.67	0.31%	\$1,725.00	0.34%	7.67	0.31%	\$1,725.00	\$0.00	\$0.00	\$1,725.00	0.34%
	Practice	10.0	0.41%	\$2,250.00	0.45%	10.0	0.41%	\$2,250.00	\$0.00	\$0.00	\$2,250.00	0.45%
Southern Maine Middle School L		51.0	2.07%	\$11,475.00	2.27%	51.0	2.07%	\$11,475.00	\$0.00	\$0.00	\$11,475.00	2.27%
	Game	51.0	2.07%	\$11,475.00	2.27%	51.0	2.07%	\$11,475.00	\$0.00	\$0.00	\$11,475.00	2.27%
St. Dominics Academy Boys		122.0	4.94%	\$27,450.00	5.44%	122.0	4.94%	\$27,450.00	\$0.00	\$0.00	\$27,450.00	5.44%
	Boys JV Game	8.0	0.32%	\$1,800.00	0.36%	8.0	0.32%	\$1,800.00	\$0.00	\$0.00	\$1,800.00	0.36%
	Boys JV Practice	12.0	0.49%	\$2,700.00	0.53%	12.0	0.49%	\$2,700.00	\$0.00	\$0.00	\$2,700.00	0.53%
	Boys Varsity Game	35.0	1.42%	\$7,875.00	1.56%	35.0	1.42%	\$7,875.00	\$0.00	\$0.00	\$7,875.00	1.56%
	Practice	67.0	2.71%	\$15,075.00	2.99%	67.0	2.71%	\$15,075.00	\$0.00	\$0.00	\$15,075.00	2.99%
St. Dominics Academy Girls		76.17	3.09%	\$17,137.50	3.39%	76.17	3.09%	\$17,137.50	\$0.00	\$0.00	\$17,137.50	3.39%
	Girls Varsity Game	15.17	0.61%	\$3,412.50	0.68%	15.17	0.61%	\$3,412.50	\$0.00	\$0.00	\$3,412.50	0.68%

Norway Savings Bank Arena

Usage Statistics by Customer Type - Customer/Event Type Detail

9/1/2014 to 3/31/2015 / Sun, Mon, Tues, Wed, Thurs, Fri, Sat / 12:00 AM to 12:00 AM / w/Int Cust

All Facilities

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<u>Customer Type</u>		- - - Hours Adjusted for Time Range - - -				- - - - - Full Hours for Events in the Time Range - - - - -						
<u>Customer</u>	<u>Event Type</u>	<u>Hours</u>	<u>% Total</u>	<u>Facility Rev.</u>	<u>% Total</u>	<u>Hours</u>	<u>% Total</u>	<u>Facility Rev.</u>	<u>Other Chgs</u>	<u>Tax</u>	<u>Tot Revenue</u>	<u>% Total</u>
	Practice	61.0	2.47%	\$13,725.00	2.72%	61.0	2.47%	\$13,725.00	\$0.00	\$0.00	\$13,725.00	2.72%
Youth Programming		1141.25	46.22%	\$256,773.75	50.87%	1141.25	46.22%	\$256,773.75	\$0.00	\$0.00	\$256,773.75	50.87%
Casco Bay Youth Hockey		2.0	0.08%	\$450.00	0.09%	2.0	0.08%	\$450.00	\$0.00	\$0.00	\$450.00	0.09%
	Youth Game	1.0	0.04%	\$225.00	0.04%	1.0	0.04%	\$225.00	\$0.00	\$0.00	\$225.00	0.04%
	Youth Practice	1.0	0.04%	\$225.00	0.04%	1.0	0.04%	\$225.00	\$0.00	\$0.00	\$225.00	0.04%
Maine Amatuier Hockey Associati		154.08	6.24%	\$34,661.25	6.87%	154.08	6.24%	\$34,661.25	\$0.00	\$0.00	\$34,661.25	6.87%
	Practice	1.25	0.05%	\$293.75	0.06%	1.25	0.05%	\$293.75	\$0.00	\$0.00	\$293.75	0.06%
	Select 12s	4.25	0.17%	\$998.75	0.20%	4.25	0.17%	\$998.75	\$0.00	\$0.00	\$998.75	0.20%
	Select 13s	3.0	0.12%	\$705.00	0.14%	3.0	0.12%	\$705.00	\$0.00	\$0.00	\$705.00	0.14%
	Select 14s	4.25	0.17%	\$998.75	0.20%	4.25	0.17%	\$998.75	\$0.00	\$0.00	\$998.75	0.20%
	Select 15s	4.25	0.17%	\$998.75	0.20%	4.25	0.17%	\$998.75	\$0.00	\$0.00	\$998.75	0.20%
	Tournament	137.08	5.55%	\$30,666.25	6.07%	137.08	5.55%	\$30,666.25	\$0.00	\$0.00	\$30,666.25	6.07%
Maine Gladiators		957.17	38.77%	\$215,362.50	42.66%	957.17	38.77%	\$215,362.50	\$0.00	\$0.00	\$215,362.50	42.66%
	Youth Game	479.17	19.41%	\$107,812.50	21.36%	479.17	19.41%	\$107,812.50	\$0.00	\$0.00	\$107,812.50	21.36%
	Youth Practice	478.0	19.36%	\$107,550.00	21.31%	478.0	19.36%	\$107,550.00	\$0.00	\$0.00	\$107,550.00	21.31%
Maine Hockey Academy		22.0	0.89%	\$4,950.00	0.98%	22.0	0.89%	\$4,950.00	\$0.00	\$0.00	\$4,950.00	0.98%
	Private Rental	22.0	0.89%	\$4,950.00	0.98%	22.0	0.89%	\$4,950.00	\$0.00	\$0.00	\$4,950.00	0.98%
Power Play Clinic		6.0	0.24%	\$1,350.00	0.27%	6.0	0.24%	\$1,350.00	\$0.00	\$0.00	\$1,350.00	0.27%
	Private Rental	6.0	0.24%	\$1,350.00	0.27%	6.0	0.24%	\$1,350.00	\$0.00	\$0.00	\$1,350.00	0.27%

Norway Savings Bank Arena

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Usage Statistics by Customer Type - Customer/Event Type Detail

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All Facilities

<u>Customer Type</u>		- - - Hours Adjusted for Time Range - - -				----- Full Hours for Events in the Time Range -----						
<u>Customer</u>	<u>Event Type</u>	<u>Hours</u>	<u>% Total</u>	<u>Facility Rev.</u>	<u>% Total</u>	<u>Hours</u>	<u>% Total</u>	<u>Facility Rev.</u>	<u>Other Chgs</u>	<u>Tax</u>	<u>Tot Revenue</u>	<u>% Total</u>
Grand Total:		2468.92		\$504,799.24		2468.92		\$504,799.24	\$0.00	\$0.00	\$504,799.24	

End of Listing

PROJECTED REVENUE	REVISED FY15
ICE RENTAL REVENUE	
Gladiators	\$ 240,000.00
Edward Little	\$ 17,500.00
Red Hornets	\$ 18,000.00
Leavitt	\$ 14,000.00
St. Doms (Boys & Girls)	\$ 36,000.00
Poland/Gray New Gloucester	\$ 18,000.00
Brunswick	\$ 3,000.00
SMMHL	\$ 10,000.00
Adult Leagues	\$ 86,000.00
Camps/Clinics	\$ 40,000.00
Tournaments	\$ 40,000.00
Private Rentals	\$ 80,000.00
Public Skate	\$ 25,000.00
Shinny	\$ 15,000.00
Programs	\$ 20,000.00
SUBLEASED RENTAL SPACE	
Concession	\$ 15,000.00
Pro Shop	\$ 8,500.00
EVENTS	
ADVERTISING	
Sponsorships	\$ 140,000.00

TOTAL **\$826,000.00**

PROJECTED EXPENSES	REVISED FY15
EMPLOYEE EXPENSES	
Full Time Employee (Salary & Fringe)	\$ 255,000.00
Part-Time Salaries	\$ 35,000.00
Insurance Premiums	\$ 25,000.00
LEASE	
Slap Shot LLC	\$ 520,000.00
ADVERTISING	
East Coast Sign & Design	\$ 12,000.00
My Motif	\$ 4,000.00
UTILITIES	
Auburn Water Sewer	\$ 12,000.00
Central Maine Power	\$ 150,000.00
Unitil (Natural Gas)	\$ 36,000.00
Amerigas (Propane)	\$ 6,500.00
Seacoast Security	\$ 1,500.00
Time Warner	\$ 3,360.00
PineTree Waste	\$ 2,300.00
REPAIRS	
Building Repairs	\$ 5,000.00
Grounds Repairs	\$ 20,000.00
Olympia Repairs	\$ 5,000.00
Mechanical Repairs	\$ 7,500.00
Miscellaneous Repairs	\$ 3,000.00
SUPPLIES	
Office Supplies	\$ 1,500.00
Cleaning Supplies	\$ 5,000.00
Safety Supplies	\$ 500.00
Operating Supplies	\$ 5,000.00
MISCELLANEOUS	
Training & Tuition	\$ 1,000.00
Subscriptions & Dues	\$ 2,000.00
PROFESSIONAL SERVICES	
Maintenance Contracts	\$ 2,500.00
PROGRAMS	
Coaches	\$ 5,000.00
Supplies	\$ 1,000.00
Advertising	
CAPITAL IMPROVEMENTS	
Building	\$ 20,000.00
Ice Resurfacer	\$ 5,000.00
Equipment	\$ 10,000.00
Tools	\$ 2,000.00
General	\$ 20,000.00

TOTAL

\$1,183,660.00



City Council Information Sheet

City of Auburn

Council Workshop or Meeting Date: 12/15/14

Order 100-12152014*

Author: Jill Eastman, Finance Director

Subject: Acceptance of the FY14 Comprehensive Annual Financial Report (CAFR)

Information: The FY 14 CAFR is complete and needs to be accepted.

Advantages: N/A

Disadvantages: N/A

City Budgetary Impacts: None

Staff Recommended Action: Passage

Previous Meetings and History: Presentation by the auditing firm Runyon Kersteen and Ouellette at the workshop on 12/15/14. Printed documents were distributed to Council at the December 1, 2014 meeting.

Attachments:

Order 100-12152014

Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
Adam Lee, Ward Four



Leroy Walker, Ward Five
Belinda Gerry, At Large
David Young, At Large

Jonathan P. LaBonte, Mayor

IN CITY COUNCIL

ORDER 100-12152014

ORDERED, that the Auburn City Council accept the Fiscal Year 2014 Comprehensive Annual Financial Report as presented by Runyon Kersteen Ouellette on December 15, 2014.

IN COUNCIL SPECIAL MEETING NOVEMBER 24, 2014 VOL. 34 PAGE 81

The meeting was called to order at 5:30 P.M. in the Council Chambers of Auburn Hall. Councilor Young had an excused absence. All other Councilors were present.

I. Executive Session

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to enter into executive session for discussion of a personnel matter, pursuant to 1 M.R.S.A. §406 (6)(A). Passage 6-0, time 7:05 P.M.

Council was declared out of executive session at 7:35 P.M.

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to authorize the Mayor to execute an employment agreement with the Acting City Manager, Howard Kroll. This is a 9 month contract with an annual salary of \$99,000, and review periods within the 9 month contract. Passage 6-0. This becomes Order 96-11242014.

Motion was made by Councilor Crowley and seconded by Councilor Walker to enter into executive session for discussion of a personnel matter, pursuant to 1 M.R.S.A. §406 (6)(A). Passage 6-0, time 7:40 P.M.

Council was declared out of executive session at 7:55 P.M.

II. Adjournment

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to adjourn. There were no objections, the meeting adjourned at 7:55 P.M.

A True Copy.

ATTEST 
Susan Clements-Dallaire, City Clerk

IN COUNCIL REGULAR MEETING DECEMBER 1, 2014 VOL. 34 PAGE 82

Mayor LaBonté called the meeting to order at 7:05 P.M. in the Council Chambers of Auburn Hall and led the assembly in the salute to the flag. Councilor Young had an excused absence. All other Councilors were present.

I. Consent Items

1. Order 97-12012014*

Appointing Susan Clements-Dallaire as Registrar of Voters with a term expiration of December 31, 2016.

Motion was made by Councilor LaFontaine and seconded by Councilor Hayes to accept the one consent item as presented. Passage 6-0.

II. Minutes

- November 17, 2014 Regular Council Meeting

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to accept the minutes of November 17, 2014 as presented. Passage 6-0.

III. Reports*

**For trial period, Council agrees to shift Reports to the last item on the meeting agenda. To do so, a motion should be made "To suspend the rules and move item III. Reports on the agenda to immediately after item VIII. Executive Session".*

Motion was made by Councilor Lee and seconded by Councilor Walker to suspend the rules and move item III, Reports on the agenda to immediately after item VIII, Executive Session. Passage 6-0.

IV. Communications, Presentations and Recognitions

- Jam the Gym Fundraiser for the PAL Center – Chief of Police, Phil Crowell

V. Open Session – Joe Gray, Sopers Mill Road regarding Tax Increment Financing.

VI. Unfinished Business

1. Order 94-11032014

Authorizing the payment of \$10,000 for land acquisition of 261 Main Street.

Motion was made by Councilor Lafontaine and seconded by Councilor Lee to authorize the payment of \$10,000 for the land acquisition of 261 Main Street as presented.

Public comment-no one from the public spoke. Passage 5-1 (Councilor Walker opposed). A roll call vote was taken.

VII. New Business

2. Ordinance 10-12012014

IN COUNCIL REGULAR MEETING DECEMBER 1, 2014 VOL. 34 PAGE 83

Approving the proposed ordinance amendment in Chapter 2, Article VI, section 2-485 (Council action on budget increase). Public hearing and first reading.

Motion was made by Councilor LaFontaine and seconded by Councilor Hayes to approve the proposed ordinance amendment in Chapter 2, Article VI, Section 2-485 (Council action on budget increase) as presented.

Motion was made by Councilor Crowley and seconded by Councilor Walker to amend to include the waiver by a super majority or 5 votes of the City Council to pass. The motion failed 3-4 (there was a tie vote 3-3 with Councilors Hayes, LaFontaine, and Lee in opposition and in accordance to the City Charter, Article III, Section 3.3 the Mayor voted to break the tie vote. He voted in opposition and the motion failed).

Public hearing – no one from the public spoke.

The motion to approve the proposed ordinance amendment in Chapter 2, Article VI, section 2-485 (Council action on budget increase) failed the first reading 3-4 (there was a tie vote 3-3 with Councilors Crowley, Walker, and Gerry in opposition and in accordance to the City Charter, Article III, Section 3.3 the Mayor voted to break the tie vote. He voted in opposition and the motion failed).

3. Resolve 12-12012014

Supporting the location of the Downtown Transportation Center on the city owned property in the Great Falls area and the allocation of at least \$150,000 for the local matching funds.

Motion was made by Councilor Lee and seconded by Councilor LaFontaine supporting the location of the Downtown Transportation Center on the city owned property in the Great Falls area and the allocation of at least \$150,000 for the local matching funds, and to include additional language that the authorizations previously provided by the Council in Order 92-11192012 and Order 35-04222014, including the monetary allocations therein are hereby rescinded.

Motion by was made by Councilor Lee and seconded by Councilor Hayes to also strike the language of “at least” (\$150,000 for the local matching funds). Passage 6-0.

Motion was made by Councilor Crowley and seconded by Councilor Walker to amend by adding a completion date of no later than November 1, 2015. The motion for this amendment failed 2-4 (Councilors Lee, Lafontaine, Hayes, and Gerry opposed).

Public comment – Mark Adams on behalf of Lee Griswold (owner of the Hilton Garden Inn) who read letter written by Mr Griswold supporting the Downtown Transportation Center and the Great Falls location.

Passage of Resolve 12-12012014 as amended, 6-0.

VIII. Executive Session

- Discussion on a Poverty Abatement, pursuant to 36 M.R.S.A. Sec. 841(2) with possible action to follow.

IN COUNCIL REGULAR MEETING DECEMBER 1, 2014 VOL. 34 PAGE 84

Motion was made by Councilor LaFontaine and seconded by Councilor Crowley to enter into executive session pursuant to 36 M.R.S.A. Sec. 841(2) with possible action to follow. Passage 6-0, time 7:34 PM.

Council was declared out of executive session at 8:47 PM.

Motion was made by Councilor LaFontaine and seconded by Councilor Crowley to deny the abatement for years 2009, 2010, and 2011 as it is outside of the limitations and Council declines to extend that limitation. Passage 5-1 (Councilor Walker opposed). This becomes order 98-12012014.

Motion was made by Councilor LaFontaine and seconded by Councilor Lee to deny the poverty abatement on the grounds that the applicant has not met his burden to show that he is unable to contribute to the public cause. Passage 4-2 (Councilors Walker and Gerry opposed). This becomes order 99-12012014.

- Discussion of a labor contract, pursuant to 1 M.R.S.A. Sec. 405(6) (D).

Motion was made by Councilor LaFontaine and seconded by Councilor Lee to enter into executive session, pursuant to 1 M.R.S.A. Sec. 405(6) (D). Passage 5-0-1 (Councilor Walker abstained), time 8:49 PM.

Council was declared out of executive session at 9:05 PM.

Reports*

Mayor's Report – no report at this time.

City Manager's Report – The 2014 Financial Audit for Council to review and a presentation will follow on December 15, 2014.

Committee and City Councilor Reports

Councilor Crowley - will submit her Committee reports in writing, and provided her Ward 1 report with dates to watch (World Aids Day, Community Holiday Parade, St. Nicholas Day, Pearl Harbor Day, Small Business Day in Maine, traditional shopping day in Ireland, Christmas open house at the Women's Literary Union headquarters on Elm Street, Hanukkah, winter solstice, whiners day, visiting hours at the Library, welcomes comments from residents regarding the City budget). A written report was also submitted.

Councilor Hayes – no report

Councilor LaFontaine – School Committee and faculty visit to Worcester Technical School, Auburn School system looked upon favorably by many, the Auburn Library Board of Trustees audit report was good and things are in good standing, the College for ME luncheon.

Councilor Lee – to attend the upcoming Bike-Ped and LAEGC meetings and will report after those meetings.

IN COUNCIL REGULAR MEETING DECEMBER 1, 2014 VOL. 34 PAGE 85

Councilor Walker – tree lighting at Denny Sullivan Park on December 14, 2014 and Santa Clause will be there for the event.

Councilor Gerry – Citizens Advisory Committee meeting on December 2, 2014.

- IX. Open Session - Members of the public are invited to speak to the Council about any issue directly related to City business which is *not on this agenda*.**

No one from the public spoke.

- X. Adjournment** – Motion was made by Councilor LaFontaine and seconded by Councilor Walker to adjourn. With no objections from Council, the meeting adjourned at 9:16 PM.

A True Copy.

ATTEST *Susan Clements-Dallaire*
Susan Clements-Dallaire, City Clerk

City of Auburn, Maine

"Maine's City of Opportunity"

Financial Services



TO: Howard Kroll, Interim City Manager

FROM: Jill Eastman, Finance Director

REF: November 2014 Financial Report

DATE: December 10, 2014

The following is a discussion regarding the significant variances found in the City's November financial report. Please note that although the monthly financial report contains amounts reported by the School Department, this discussion is limited to the City's financial results and does not attempt to explain any variances for the School Department.

The City has completed its fifth month of the current fiscal year. As a guideline for tracking purposes, revenues and expenditures should amount to approximately 41.7% of the annual budget. However, not all costs and revenues are distributed evenly throughout the year; individual line items can vary based upon cyclical activity.

Revenues

Revenues collected through November 30th, including the school department were \$33,671,795, or 44.24%, of the budget. The municipal revenues including property taxes were \$26,042,624, or 48.21% of the budget which is less than the same period last year by 1.05%. The accounts listed below are noteworthy.

- A. September 15th the first installment for real estate taxes were due. The current year tax revenue is at 51.38% as compared to 50.22% last year.
- B. Excise tax for the month of November is at 47.34%. This is an \$70,316 increase from FY 14. Our excise revenues for FY15 are 5.64% above projections as of November 30, 2014.
- C. State Revenue Sharing for the month of November is 32.7779% or \$540,939. This is 20.5% decrease this year from last November.

Expenditures

City expenditures through November 2014 were \$17,972,210 or 47.46%, of the budget. This is 1.18% less than the same period last year. Noteworthy variances are:

- A. The operating departments are all in line with where they should be at this time. Several line items are paid quarterly, semi-annually or annually thus creating the appearance of being over budget. I have and will continue to monitor each department's expenditures throughout the fiscal year.

Investments

This section contains an investment schedule as of November 30th. Currently the City's funds are earning an average interest rate of .19%.

Respectfully submitted,

A handwritten signature in black ink that reads "Jill M Eastman". The signature is written in a cursive, flowing style.

Jill M. Eastman
Finance Director

CITY OF AUBURN, MAINE
BALANCE SHEET - CITY GENERAL FUND, WC AND UNEMPLOYMENT FUND
AS of November 2014, October 2014, and June 2013

	UNAUDITED November 30 2014	UNAUDITED October 30 2014	Increase (Decrease)	AUDITED JUNE 30 2014
ASSETS				
CASH	\$ 14,295,401	\$ 15,684,489	\$ (1,389,088)	\$ 5,319,835
RECEIVABLES			-	
ACCOUNTS RECEIVABLES	1,919,593	2,565,770	(646,177)	1,447,551
TAXES RECEIVABLE-CURRENT	19,422,411	19,920,522	(498,111)	140,913
DELINQUENT TAXES	629,215	626,497	2,718	533,344
TAX LIENS	888,623	950,685	(62,062)	1,390,006
NET DUE TO/FROM OTHER FUNDS	(630,938)	160,782	(791,721)	8,116,581
TOTAL ASSETS	\$ 36,524,305	\$ 39,908,745	\$ (3,384,440)	\$ 16,948,230
LIABILITIES & FUND BALANCES				
ACCOUNTS PAYABLE	\$ (150,978)	\$ (275,964)	\$ 124,985	\$ (568,395)
PAYROLL LIABILITIES	(83,987)	(376,531)	292,544	-
ACCRUED PAYROLL	(2,875)	(2,875)	-	(2,480,654)
STATE FEES PAYABLE	(24,117)	(27,975)	3,858	-
ESCROWED AMOUNTS	(51,877)	(51,651)	(226)	(43,526)
DEFERRED REVENUE	(20,627,784)	(21,185,238)	557,454	(1,792,296)
TOTAL LIABILITIES	\$ (20,941,618)	\$ (21,920,233)	\$ 978,616	\$ (4,884,871)
FUND BALANCE - UNASSIGNED	\$ (14,491,735)	\$ (16,897,559)	\$ 2,405,825	\$ (9,895,359)
FUND BALANCE - RESTRICTED FOR WORKERS COMP & UNEMPLOYMENT	776,017	776,017	-	-
FUND BALANCE - RESTRICTED	(1,866,970)	(1,866,970)	-	(2,168,000)
TOTAL FUND BALANCE	\$ (15,582,688)	\$ (17,988,512)	\$ 2,405,825	\$ (12,063,359)
TOTAL LIABILITIES AND FUND BALANCE	\$ (36,524,305)	\$ (39,908,745)	\$ 3,384,440	\$ (16,948,230)

CITY OF AUBURN, MAINE
REVENUES - GENERAL FUND COMPARATIVE
THROUGH November 30, 2014 VS November 30, 2013

REVENUE SOURCE	FY 2015 BUDGET	ACTUAL REVENUES THRU NOV 2014	% OF BUDGET	FY 2014 BUDGET	ACTUAL REVENUES THRU NOV 2013	% OF BUDGET	VARIANCE
TAXES							
PROPERTY TAX REVENUE-	\$ 43,055,996	\$ 22,122,125	51.38%	\$ 42,844,641	\$ 21,517,198	50.22%	\$ 604,927
PRIOR YEAR REVENUE	\$ -	\$ 538,961		\$ -	\$ 463,460		\$ 75,501
HOMESTEAD EXEMPTION REIMBURSEMENT	\$ 495,000	\$ 383,752	77.53%	\$ 482,575	\$ 371,573	77.00%	\$ 12,179
ALLOWANCE FOR ABATEMENT	\$ -	\$ -		\$ -	\$ -		\$ -
ALLOWANCE FOR UNCOLLECTIBLE TAXES	\$ -	\$ -		\$ -	\$ -		\$ -
EXCISE	\$ 3,185,000	\$ 1,507,848	47.34%	\$ 3,068,500	\$ 1,437,532	46.85%	\$ 70,316
PENALTIES & INTEREST	\$ 145,000	\$ 44,192	30.48%	\$ 140,000	\$ 37,649	26.89%	\$ 6,543
TOTAL TAXES	\$ 46,880,996	\$ 24,596,878	52.47%	\$ 46,535,716	\$ 23,827,412	51.20%	\$ 769,466
LICENSES AND PERMITS							
BUSINESS	\$ 48,300	\$ 19,318	39.99%	\$ 47,300	\$ 19,950	42.18%	\$ (633)
NON-BUSINESS	\$ 339,300	\$ 149,947	44.19%	\$ 338,300	\$ 168,774	49.89%	\$ (18,827)
TOTAL LICENSES	\$ 387,600	\$ 169,264	43.67%	\$ 385,600	\$ 188,724	48.94%	\$ (19,460)
INTERGOVERNMENTAL ASSISTANCE							
STATE-LOCAL ROAD ASSISTANCE	\$ 440,000	\$ 397,504	90.34%	\$ 440,000	\$ 473,451	107.60%	\$ (75,947)
STATE REVENUE SHARING	\$ 1,649,470	\$ 540,939	32.79%	\$ 1,649,470	\$ 680,729	41.27%	\$ (139,790)
WELFARE REIMBURSEMENT	\$ 70,000	\$ 21,034	30.05%	\$ 53,000	\$ 24,838	46.86%	\$ (3,804)
OTHER STATE AID	\$ 22,000	\$ -	0.00%	\$ 22,000	\$ -	0.00%	\$ -
CITY OF LEWISTON	\$ 155,000	\$ -	0.00%	\$ 155,000	\$ -	0.00%	\$ -
TOTAL INTERGOVERNMENTAL ASSISTANCE	\$ 2,336,470	\$ 959,477	41.07%	\$ 2,319,470	\$ 1,179,018	50.83%	\$ (219,541)
CHARGE FOR SERVICES							
GENERAL GOVERNMENT	\$ 132,040	\$ 54,966	41.63%	\$ 140,240	\$ 70,343	50.16%	\$ (15,377)
PUBLIC SAFETY	\$ 485,703	\$ 111,882	23.03%	\$ 366,152	\$ 61,258	16.73%	\$ 50,624
EMS AGREEMENT	\$ 987,551	\$ -	0.00%	\$ 100,000	\$ 41,667	41.67%	\$ (41,667)
TOTAL CHARGE FOR SERVICES	\$ 1,605,294	\$ 166,848	10.39%	\$ 606,392	\$ 173,268	28.57%	\$ (6,420)
FINES							
PARKING TICKETS & MISC FINES	\$ 26,000	\$ 27,408	105.42%	\$ 40,000	\$ 7,976	19.94%	\$ 19,432
MISCELLANEOUS							
INVESTMENT INCOME	\$ 10,000	\$ 1,362	13.62%	\$ 20,000	\$ 208	1.04%	\$ 1,154
INTEREST-BOND PROCEEDS	\$ 2,000	\$ -	0.00%	\$ 2,000	\$ -	0.00%	\$ -
RENTS	\$ 122,000	\$ -	0.00%	\$ 122,000	\$ -	0.00%	\$ -
UNCLASSIFIED	\$ 20,000	\$ 6,287	31.43%	\$ 17,500	\$ 181,993	1039.96%	\$ (175,706)
SALE OF RECYCLABLES	\$ -	\$ -		\$ 4,800	\$ -	0.00%	\$ -
COMMERCIAL SOLID WASTE FEES	\$ -	\$ 20,486		\$ -	\$ 22,168		\$ (1,682)
SALE OF PROPERTY	\$ 20,000	\$ 1,200	6.00%	\$ 20,000	\$ 60,131	300.66%	\$ (58,931)
RECREATION PROGRAMS/ARENA	\$ -	\$ -		\$ -	\$ -		\$ -
MMWAC HOST FEES	\$ 206,000	\$ 87,191	42.33%	\$ 204,000	\$ 85,747	42.03%	\$ 1,444
9-1-1 DEBT SERVICE REIMBURSEMENT	\$ -	\$ -		\$ -	\$ -	0.00%	\$ -
TRANSFER IN: TIF	\$ 500,000	\$ -	0.00%	\$ 520,000	\$ -	0.00%	\$ -
TRANSFER IN: POLICE	\$ 20,000	\$ -	0.00%	\$ -	\$ -		\$ -
TRANSFER IN: PARKING PROGRAM	\$ 55,000	\$ -	0.00%	\$ -	\$ -		\$ -
TRANSFER IN: PD DRUG MONEY	\$ 45,000	\$ -	0.00%	\$ -	\$ -		\$ -
TRANSFER IN: REC SPEC REVENUE	\$ 41,720	\$ -	0.00%	\$ -	\$ -		\$ -
TRANSFER IN: SPECIAL REVENUE	\$ 290,000	\$ -	0.00%	\$ -	\$ -		\$ -
ENERGY EFFICIENCY	\$ -	\$ -		\$ 2,000	\$ 279	13.95%	\$ (279)
CDBG	\$ 58,000	\$ -	0.00%	\$ 58,000	\$ -	0.00%	\$ -
UTILITY REIMBURSEMENT	\$ 37,500	\$ 6,223	16.60%	\$ 37,500	\$ 10,177	27.14%	\$ (3,954)
CITY FUND BALANCE CONTRIBUTION	\$ 1,350,000	\$ -	0.00%	\$ 1,350,000	\$ -	0.00%	\$ -
TOTAL MISCELLANEOUS	\$ 2,777,220	\$ 122,749	4.42%	\$ 2,357,800	\$ 360,703	15.30%	\$ (237,954)
TOTAL GENERAL FUND REVENUES	\$ 54,013,580	\$ 26,042,624	48.21%	\$ 52,244,978	\$ 25,737,101	49.26%	\$ 305,523
SCHOOL REVENUES							
EDUCATION SUBSIDY	\$ 20,411,239	\$ 7,435,817	36.43%	\$ 17,942,071	\$ 8,932,415	49.78%	\$ (1,496,598)
EDUCATION	\$ 774,572	\$ 193,353	24.96%	\$ 1,358,724	\$ 168,584	12.41%	\$ 24,769
SCHOOL FUND BALANCE CONTRIBUTION	\$ 906,882	\$ -	0.00%	\$ 855,251	\$ -	0.00%	\$ -
TOTAL SCHOOL	\$ 22,092,693	\$ 7,629,171	34.53%	\$ 20,156,046	\$ 9,100,999	45.15%	\$ (1,471,828)
GRAND TOTAL REVENUES	\$ 76,106,273	\$ 33,671,795	44.24%	\$ 72,401,024	\$ 34,838,100	48.12%	\$ (1,166,305)

CITY OF AUBURN, MAINE
EXPENDITURES - GENERAL FUND COMPARATIVE
THROUGH November 30, 2014 VS November 30, 2013

DEPARTMENT	FY 2015 BUDGET	Unaudited EXP THRU NOV 2014	% OF BUDGET	FY 2014 BUDGET	Unaudited EXP THRU NOV 2013	% OF BUDGET	VARIANCE
ADMINISTRATION							
MAYOR AND COUNCIL	\$ 78,532	\$ 39,082	49.77%	\$ 71,079	\$ 30,583	43.03%	\$ 8,499
CITY MANAGER	\$ 280,750	\$ 109,410	38.97%	\$ 238,903	\$ 100,458	42.05%	\$ 8,952
ECONOMIC DEVELOPMENT	\$ 359,500	\$ 124,489	34.63%	\$ 318,933	\$ 120,630	37.82%	\$ 3,859
ASSESSING SERVICES	\$ 177,320	\$ 52,088	29.38%	\$ 172,277	\$ 70,616	40.99%	\$ (18,528)
CITY CLERK	\$ 164,593	\$ 71,321	43.33%	\$ 162,045	\$ 71,038	43.84%	\$ 283
FINANCIAL SERVICES	\$ 427,815	\$ 171,632	40.12%	\$ 405,976	\$ 162,376	40.00%	\$ 9,256
HUMAN RESOURCES	\$ 139,578	\$ 54,330	38.92%	\$ 139,566	\$ 52,693	37.75%	\$ 1,637
INFORMATION COMMUNICATION TECHNOLOGY	\$ 413,829	\$ 224,658	54.29%	\$ 395,350	\$ 222,641	56.31%	\$ 2,017
LEGAL SERVICES	\$ 65,000	\$ 10,227	15.73%	\$ 100,000	\$ 17,047	17.05%	\$ (6,820)
TOTAL ADMINISTRATION	\$ 2,106,917	\$ 857,237	40.69%	\$ 2,004,129	\$ 848,082	42.32%	\$ 9,155
COMMUNITY SERVICES							
PLANNING & PERMITTING	\$ 902,494	\$ 314,796	34.88%	\$ 775,230	\$ 312,962	40.37%	\$ 1,834
HEALTH & SOCIAL SERVICES	\$ 192,954	\$ 73,006	37.84%	\$ 189,539	\$ 91,441	48.24%	\$ (18,435)
PUBLIC LIBRARY	\$ 960,692	\$ 392,163	40.82%	\$ 946,737	\$ 464,618	49.08%	\$ (72,455)
TOTAL COMMUNITY SERVICES	\$ 2,056,140	\$ 779,965	37.93%	\$ 2,759,028	\$ 869,021	31.50%	\$ (89,056)
FISCAL SERVICES							
DEBT SERVICE	\$ 6,263,936	\$ 5,774,574	92.19%	\$ 6,321,584	\$ 5,801,341	91.77%	\$ (26,767)
FACILITIES	\$ 698,335	\$ 236,550	33.87%	\$ 715,667	\$ 236,459	33.04%	\$ 91
WORKERS COMPENSATION	\$ 468,081	\$ -	0.00%	\$ 431,446	\$ -	0.00%	\$ -
WAGES & BENEFITS	\$ 4,737,117	\$ 2,028,613	42.82%	\$ 4,397,585	\$ 1,906,169	43.35%	\$ 122,444
EMERGENCY RESERVE (10108062-670000)	\$ 375,289	\$ -	0.00%	\$ 375,289	\$ -	0.00%	\$ -
TOTAL FISCAL SERVICES	\$ 12,542,758	\$ 8,039,737	64.10%	\$ 12,241,571	\$ 7,943,969	64.89%	\$ 95,768
PUBLIC SAFETY							
FIRE DEPARTMENT	\$ 4,057,633	\$ 1,766,794	43.54%	\$ 4,024,789	\$ 1,634,797	40.62%	\$ 131,997
FIRE EMS	\$ 635,468	\$ 215,922	33.98%				\$ 215,922
POLICE DEPARTMENT	\$ 3,738,108	\$ 1,468,391	39.28%	\$ 3,589,583	\$ 1,385,454	38.60%	\$ 82,937
TOTAL PUBLIC SAFETY	\$ 8,431,209	\$ 3,451,107	40.93%	\$ 7,614,372	\$ 3,020,251	39.67%	\$ 430,856
PUBLIC WORKS							
PUBLIC SERVICES DEPARTMENT	\$ 5,806,379	\$ 2,123,859	36.58%	\$ 5,577,954	\$ 1,852,995	33.22%	\$ 270,864
WATER AND SEWER	\$ 599,013	\$ 305,756	51.04%	\$ 558,835	\$ 282,963	50.63%	\$ 22,793
TOTAL PUBLIC WORKS	\$ 6,405,392	\$ 2,429,615	37.93%	\$ 5,289,267	\$ 2,135,958	40.38%	\$ 293,657
INTERGOVERNMENTAL PROGRAMS							
AUBURN-LEWISTON AIRPORT	\$ 105,000	\$ 52,500	50.00%	\$ 105,000	\$ 52,500	50.00%	\$ -
E911 COMMUNICATION CENTER	\$ 1,067,249	\$ 262,326	24.58%	\$ 1,036,409	\$ 518,425	50.02%	\$ (256,099)
LATC-PUBLIC TRANSIT	\$ 235,373	\$ 52,844	22.45%	\$ 235,496	\$ 117,686	49.97%	\$ (64,842)
LAEGC-ECONOMIC COUNCIL	\$ -	\$ -		\$ -	\$ -		\$ -
LA ARTS	\$ 17,000	\$ -	0.00%	\$ -	\$ -		\$ -
TAX SHARING	\$ 270,000	\$ -	0.00%	\$ 270,000	\$ 41,793	15.48%	\$ (41,793)
TOTAL INTERGOVERNMENTAL	\$ 1,694,622	\$ 367,670	21.70%	\$ 1,646,905	\$ 730,404	44.35%	\$ (362,734)
COUNTY TAX	\$ 2,046,880	\$ 2,046,879	100.00%	\$ 2,029,513	\$ 2,029,512	100.00%	\$ 17,367
TIF (10108058-580000)	\$ 2,584,032	\$ -	0.00%	\$ 2,555,723	\$ -	0.00%	\$ -
OVERLAY	\$ -	\$ -		\$ -	\$ -	0.00%	\$ -
TOTAL CITY DEPARTMENTS	\$ 37,867,950	\$ 17,972,210	47.46%	\$ 36,140,508	\$ 17,577,197	48.64%	\$ 395,013
EDUCATION DEPARTMENT	\$ 38,241,323	\$ 11,216,578	29.33%	\$ 37,128,028	\$ 13,414,290	36.13%	\$ (2,197,712)
TOTAL GENERAL FUND EXPENDITURES	\$ 76,109,273	\$ 29,188,788	38.35%	\$ 73,268,536	\$ 30,991,487	42.30%	\$ (1,802,699)

**CITY OF AUBURN, MAINE
INVESTMENT SCHEDULE
AS OF November 30, 2014**

INVESTMENT			BALANCE		BALANCE	INTEREST	WEIGHTED
FUND			November 30, 2014		October 31, 2014	RATE	AVG YIELD
BANKNORTH MNY MKT	24-1242924	GENERAL FUND	\$	55,437.66	\$	55,437.66	0.15%
BANKNORTH MNY MKT	24-1745910	GF-WORKERS COMP	\$	49,295.87	\$	49,295.87	0.08%
BANKNORTH MNY MKT	24-1745944	GF-UNEMPLOYMENT	\$	67,027.81	\$	67,027.81	0.15%
BANKNORTH CD	7033	GF-UNEMPLOYMENT	\$	102,404.84	\$	102,404.84	0.15%
BANKNORTH MNY MKT	24-1809302	SPECIAL REVENUE	\$	52,656.90	\$	52,656.90	0.15%
BANKNORTH MNY MKT	24-1745902	SR-PERMIT PARKING	\$	198,366.52	\$	198,366.52	0.15%
BANKNORTH MNY MKT	24-1745895	SR-TIF	\$	1,119,935.07	\$	1,119,935.07	0.15%
BANKNORTH MNY MKT	24-1746819	CAPITAL PROJECTS	\$	4,778,142.71	\$	4,778,142.71	0.20%
BANKNORTH MNY MKT	24-1745928	ICE ARENA	\$	249,764.86	\$	249,764.86	0.15%
GRAND TOTAL			\$	6,673,032.24	\$	6,673,032.24	0.19%

City of Auburn, Maine

"Maine's City of Opportunity"

Financial Services

To: Howard Kroll, Interim City Manager
From: Jill Eastman, Finance Director
Re: Arena Financial Reports for November 30, 2014



Attached you will find a Statement of Net Assets and a Statement of Activities for the Ingersoll Arena and the Norway Savings Bank Arena as of November 30, 2014. I have also attached budget to actual reports for Norway Savings Bank Arena for revenue and expenditures.

INGERSOLL ARENA

Statement of Net Assets:

The Statement of Net Assets lists current assets, noncurrent assets, liabilities and net assets.

Current Assets:

As of the end of November 2014 the total current assets were \$129,692. These consisted of cash and cash equivalents of \$249,765, and an interfund payable of \$120,073, which means that Ingersoll owes the General Fund \$120,073, so net cash available to Ingersoll is \$129,692 at the end of November.

Noncurrent Assets:

Noncurrent assets are the building, equipment and any building and land improvements, less depreciation. The total value of noncurrent assets as of November 30, 2014 were \$232,292. The equipment that was transferred to Norway Savings Bank Arena or sold have been removed from the Ingersoll balance sheet as well as the related accumulated depreciation.

Liabilities:

Ingersoll had no liabilities as of November 30, 2014

Statement of Activities:

The statement of activities shows the current operating revenue collected for the fiscal year and the operating expenses as well as any nonoperating revenue and expenses.

Ingersoll Arena had no operating revenues through November 2014.

The operating expenses for Ingersoll Arena through November 2014, were \$3,505. These expenses include supplies, utilities, and repairs and maintenance.

As of November 2014 Ingersoll has an operating loss of (\$3,505).

Non-operating revenue and expenses consist of interest income and debt service payments. The interest income to date is \$120 and debt service expense to date is \$81,563.

As of November 30, 2014 Ingersoll has a decrease in net assets of \$84,948.

NORWAY SAVINGS BANK ARENA

Statement of Net Assets:

The Statement of Net Assets lists current assets, noncurrent assets, liabilities and net assets.

Current Assets:

As of the end of November 2014 the total current assets of Norway Savings Bank Arena were (\$74,856). These consisted of cash and cash equivalents of \$91,281, and an interfund payable of \$166,137, which means that Norway owes the General Fund \$166,137 at the end of November.

Noncurrent Assets:

Norway's noncurrent assets are equipment that was purchased, less depreciation (depreciation is posted at year end). There was an adjustment to the equipment to account for equipment that was transferred from Ingersoll Arena. The total value of the noncurrent assets as of November 30, 2014 was \$239,332.

Liabilities:

Norway Arena had accounts payable of \$2 as of November 30, 2014.

Statement of Activities:

The statement of activities shows the current operating revenue collected for the fiscal year and the operating expenses as well as any nonoperating revenue and expenses.

The operating revenues for Norway Arena through November 2014 are \$268,593. This revenue comes from the concessions, sign advertisements, pro shop lease, youth programming, shinny hockey, public skating and ice rentals.

The operating expenses for Norway Arena through November 2014 were \$452,046. These expenses include personnel costs, supplies, utilities, repairs, capital purchases and maintenance.

As of November 2014 Norway Arena has an operating loss of \$183,453 compared to the October 2014 operating loss of \$203,953.

As of November 30, 2014 Norway Arena has a decrease in net assets of \$183,453.

I have also attached budget to actual reports for revenue and expenditures.

CITY OF AUBURN, MAINE
Statement of Net Assets
Proprietary Funds
November 30, 2014

Business-type Activities - Enterprise Funds

	Ingersoll	Norway Savings
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 249,765	\$ 91,281
Interfund receivables	\$ (120,073)	\$ (166,137)
Accounts receivable	-	-
Total current assets	129,692	(74,856)
Noncurrent assets:		
Capital assets:		
Buildings	672,279	35,905
Equipment	66,415	285,813
Land improvements	18,584	
Less accumulated depreciation	(524,986)	(82,386)
Total noncurrent assets	232,292	239,332
Total assets	361,984	164,476
LIABILITIES		
Accounts payable	\$ -	\$ 2
Total liabilities	-	2
NET ASSETS		
Invested in capital assets	\$ 232,292	\$ 239,332
Unrestricted	\$ 129,692	\$ (74,858)
Total net assets	\$ 361,984	\$ 164,474

CITY OF AUBURN, MAINE
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
Business-type Activities - Enterprise Funds
Statement of Activities
November 30, 2014

	Ingersoll Ice Arena	Norway Savings Arena
Operating revenues:		
Charges for services	\$ -	\$ 268,593
Operating expenses:		
Personnel	-	123,250
Supplies	-	23,119
Utilities	2,930	64,989
Repairs and maintenance	575	6,860
Rent		211,035
Depreciation	-	-
Capital expenses		-
Other expenses	-	22,793
Total operating expenses	3,505	452,046
Operating gain (loss)	(3,505)	(183,453)
Nonoperating revenue (expense):		
Interest income	120	-
Interest expense (debt service)	(81,563)	-
Total nonoperating expense	(81,443)	-
Gain before transfer	(84,948)	(183,453)
Transfers out	-	-
Change in net assets	(84,948)	(183,453)
Total net assets, July 1	446,932	347,927
Total net assets, October 31, 2014	\$ 361,984	\$ 164,474

CITY OF AUBURN, MAINE
REVENUES - NORWAY SAVINGS BANK ARENA
Through November 30, 2014

REVENUE SOURCE	FY 2015 BUDGET	ACTUAL REVENUES THRU NOV 2014	% OF BUDGET
CHARGE FOR SERVICES			
Concussions	\$ 30,000	\$ 233	0.78%
Sign Advertisements	\$ 233,225	\$ 106,682	45.74%
Pro Shop	\$ 8,500	\$ 2,878	33.86%
Programs	\$ 172,450	\$ 25,704	14.91%
Rental Income	\$ 753,260	\$ 130,352	17.31%
Tournaments	\$ 24,500	\$ 2,625	10.71%
TOTAL CHARGE FOR SERVICES	\$ 1,221,935	\$ 268,474	21.97%
INTEREST ON INVESTMENTS	\$ -		
GRAND TOTAL REVENUES	\$ 1,221,935	\$ 268,474	21.97%

CITY OF AUBURN, MAINE
EXPENDITURES - NORWAY SAVINGS BANK ARENA
Through November 30, 2014

REVENUE SOURCE	ACTUAL		
	FY 2015 BUDGET	EXPENDITURES THRU NOV 2014	% OF BUDGET
Salaries & Benefits	\$ 318,446	\$ 123,250	38.70%
Purchased Services	\$ 67,800	\$ 29,653	43.74%
Supplies	\$ 9,000	\$ 23,119	256.88%
Utilities	\$ 204,846	\$ 64,989	31.73%
Capital Outlay	\$ 80,000	\$ -	0.00%
Rent	\$ 528,408	\$ 211,035	39.94%
	\$ 1,208,500	\$ 452,046	37.41%
GRAND TOTAL EXPENDITURES	\$ 1,208,500	\$ 452,046	37.41%



TOWN of SABATTUS

190 Middle Road • Sabattus, Maine 04280
Phone: (207) 375-4331 • Fax: (207) 375-4104

December 5, 2014

Commissioners Bell, Greenwood, and Makas
Androscoggin County
2 Turner Street
Auburn, Maine 04210

Dear Commissioners Bell, Greenwood, and Makas:

We were very surprised to learn that commissioners received health benefits from the County, some full family coverage at that, and the fact that 100% of the premiums are paid by county taxpayers. We are now quite aware that Androscoggin County is not alone in offering health benefits to its part-time elected commissioners. We are also aware of the history in Androscoggin County which once offered 100% taxpayer health benefits to commissioners for life. Neither of these facts justifies nor weakens our very strong position that it is highly inappropriate and an entitlement that needs to end. It is our unanimous sentiment and philosophical position that part-time, elected county commissioners should not receive taxpayer funded health coverage at any level. We do understand and agree that a reasonable annual stipend should be paid to help defray the personal cost of serving the public. What a "reasonable" amount for a stipend should be is certainly a matter that could be endlessly debated and that is not the focus of this letter and not our primary concern. We also want to point out that our collective position regarding health benefits for commissioners does not apply to other elected positions in county government that are fulltime jobs such as sheriff, judges, etc. We take no issue with benefits for those positions.

Running for a municipal officer or county commissioner position is a personal decision to serve the public. Profiting from part-time elected office, including expensive taxpayer-funded health coverage, is a gross overreach that takes undue advantage of your public office and the taxpayers that support it. Public service should not be for personal gain other than to deepen one's own sense of commitment to service.

The Board of commissioners is increasing from three to seven members. Now more than ever, there should be no credible argument that serving as a county commissioner is akin to regular employment and certainly not fulltime employment. There will indeed be a time period in 2015 that requires additional work of the commissioners to oversee a proper search and hiring process to select the right person as its first manager, develop bylaws, and other related tasks. However, any extra work required of the seven commissioners during this period of transition, in our view, is part of the responsibilities that come with the honor of serving. Additionally, the commissioners will also have legal and presumably other resources to draw upon to assist in these tasks. We see no credible argument that the workload of the commissioners, particularly with the board growing from three to seven members, will be significant enough to emulate fulltime employment and therefore be deserving of additional compensation, including health coverage, over what the Budget Committee voted to appropriate.

At least as, if not more, egregious to us than the idea of commissioners receiving taxpayer-funded health coverage is the recent process in which two of the three commissioners voted to ignore the unanimous vote of the Budget Committee. The third commissioner simply chose not to vote at all citing abstention. Abstention should only be used in matters of a potential or direct conflict of interest. All three commissioners certainly had a direct conflict of interest on this particular vote whereas each of the three commissioners stands to gain personally from overturning the vote of the Budget Committee. All three should have 'abstained' from taking a vote.

From a legal perspective, we believe it very much remains an unanswered question whether or not the commissioners actually have legal authority to effectively overturn a vote of the Budget Committee related to commissioner compensation including benefits. The County's attorney may support the commissioners' interpretation; however we, members of the Budget Committee, and many others disagree. At the moment, that's all that exists on the matter - opposing opinions. If this matter isn't resolved soon, the issue of proper authority can only be resolved definitively in court. We certainly hope it does not come to that end.

Many of us supported and advocated for the passage of the county charter specifically due to the promise of significant change to governance structure. Professional management and what we were told by members of the charter commission was to be the role of the Budget Committee were compelling reasons for us to support the county charter's passage. The recent actions of the commissioners undermine the very spirit of the charter, if not the letter of the law itself. Your actions state loud and clearly you intend to conduct your business as usual despite the hard work of the County's Charter Commission, the Budget Committee, and the will of a majority of Androscoggin County voters.

Androscoggin County government has a real opportunity at hand in this time of transition. Efforts in the past to regionalize services have been deeply mired in politics, and a general distrust between communities and County government. But hard economic times and the promise of new County management create what could be a tremendous opportunity at hand. The County, under professional management and a Board of seven could establish a forum and process to pull together people from each of its member communities and explore areas to collectively make the most impact in purchasing and delivery of services on a much broader level than current practice. Some services, not all, should be delivered on a more regional basis to be more efficient, more cost effective, and avoid future cost increases for our collective taxpayers.

Regardless of the initiative, any possible hope of success absolutely requires credibility. It requires credibility both in the process and the central entity facilitating the effort. The current controversy over the commissioners' compensation and ignoring the charter and Budget Committee greatly compromises the credibility of the current Board and County government. It perpetuate and deepen the criticisms, distrust, and lack of hope that Androscoggin County can move beyond its past and work collaboratively with its member communities.

There is still an opportunity, albeit a fleeting one if not addressed very soon, to turn this unfortunate situation around. We do not believe the Commissioners' 2-0-1 vote adhered to the charter and therefore is not legal. However, that can only be resolved if the commissioners reverse their course of action, or the matter is decided in court. If the commissioners voluntarily reverse course and declare that the Budget Committee vote stands, it would certainly go a long way to restore credibility in, and respect for County government and support the new charter instead of damaging it. Valuable time, energy and

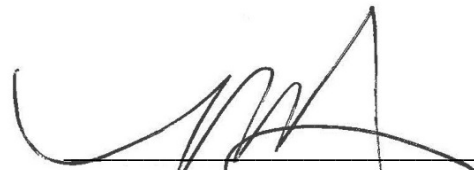
resources could instead be collectively focused on pulling the Androscoggin member communities together to welcome a new county manager to help facilitate change, explore common ground, and seek and achieve opportunities to work more effectively on a regional basis.

We sincerely implore the current Board of three commissioners to publicly declare your recent vote to be invalid, or take another vote to rescind it if you feel that is more proper. However if the current Board of three is not inclined to do so, then we implore a majority of the new board of seven to set this situation right and adhere to the Budget Committee vote.

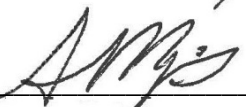
Respectfully,



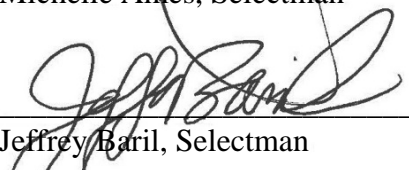
Mark Duquette, Chair



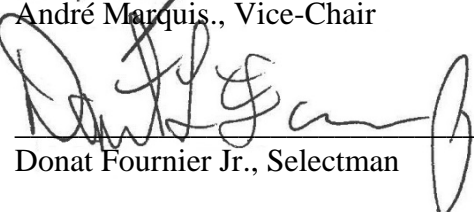
Michelle Ames, Selectman



André Marquis., Vice-Chair



Jeffrey Baril, Selectman



Donat Fournier Jr., Selectman

cc: Androscoggin County Commissioners-elect: Chicoine, Roy, Fournier and Christner
Androscoggin County Clerk: Patricia Fournier
Androscoggin County Budget Committee Members
Municipal Officials in Androscoggin County



City Council Information Sheet

City of Auburn

Council Workshop or Meeting Date: 12/15/14

Ordinance 10-12012014

Author: Jill Eastman, Finance Director

Subject: Council Action on Budget Ordinance Sec 2-485 Change-second reading.

Information: Staff is recommending a change in the budget expenditure cap ordinance Sec 2-485 a. to a tax commitment cap, and to add Sec 2-485 c. Appropriation Resolve, adding tax due dates and interest rate on delinquent taxes to the appropriation resolve.

Advantages: With a tax commitment cap the City can take advantage of new revenue sources to fund expenditures without raising the tax commitment. The current ordinance does not take any new revenues into consideration, therefore it does not give the City any incentive to find new revenue to help fund the budget.

When the budget is passed the due dates and interest rate on delinquent taxes will be set. This saves us having a separate agenda item and gives the Assessing department and tax department the ability to begin working on the commitment and tax bills to get them ready to mail by mid July.

Disadvantages: Public perception links taxes to expenses only, so the Council and staff will have to work cooperatively to share that the tax commitment (difference between expenses and revenues) is what drives taxes.

City Budgetary Impacts:

Staff Recommended Action: Recommend passage of ordinance change. Second reading.

Previous Meetings and History: This was briefly discussed during the FY15 budget process and discussed at Council Workshop on November 17, 2014, public hearing and first reading on 12-1-2014, and failed the first reading 3-4.

Attachments:

Amended Ordinance 10-12012014

Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
Adam Lee, Ward Four



Leroy Walker, Ward Five
Belinda Gerry, At Large
David Young, At Large

Jonathan P. LaBonte, Mayor

IN CITY COUNCIL

ORDINANCE 10-12012014

- **Sec. 2-485. - Council action on budget ~~increase.~~**

(a)

Budget ~~expenditure-tax commitment~~ cap. Beginning with the fiscal year ~~2008-2016~~ budget, the city council will not approve any increase in the ~~budget-tax commitment, City and School combined~~ which exceeds the consumer price index (urban) as compiled for the 12-month period ending as of December 31 prior the start of the succeeding fiscal year.

(b)

Exception. When deemed necessary by the city council, this provision may be waived by a majority vote of the city council.

(c)

Appropriation resolve. The tax due date and the interest rate on delinquent taxes will be included in the appropriation resolve.



City Council Information Sheet

City of Auburn

Council Workshop or Meeting Date: 12/15/2014

Order 101-12152014

Author: Sue Clements-Dallaire, City Clerk

Subject:

Approval of a new Special Amusement Permit application for Jasmine Café, LLC., 730 Center Street

Information: Jasmine Café, LLC., 730 Center Street, an existing business, applied for a Special Amusement Permit. Police, Fire and Code have granted approval.

Advantages: Helps to promote a business friendly community, may attract additional patrons and potentially create additional jobs in the community.

Disadvantages: None

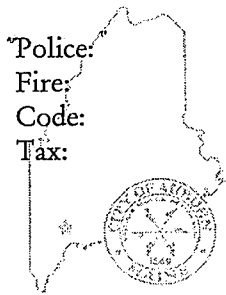
City Budgetary Impacts: N/A

Staff Recommended Action: Recommend approval of the Special Amusement Permit for Jasmine Café, LLC., 730 Center Street. Public hearing.

Previous Meetings and History: N/A

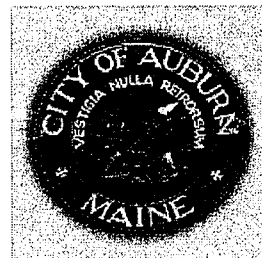
Attachments:

- Special Amusement Permit application
- Criminal Background Check
- Public Hearing Ad
- Order 101-12152014



Police:
Fire:
Code:
Tax:

NOV 25 2014



City of Auburn
Special Amusement Permit
Application & Re-Application
LICENSE / APPLICATION FEE: \$125.00

DATE OF APPLICATION: NOV 25. 2014

☐ CLASS A – RESTAURANTS WITH ENTERTAINMENT, WHICH DOES NOT HAVE DANCING.

☐ CLASS B – LOUNGES / BARS WITH ENTERTAINMENT, WHICH DOES NOT HAVE DANCING.

☒ CLASS C – EITHER RESTAURANTS OR LOUNGES / BARS WITH ENTERTAINMENT, INCLUDING DANCING.

☐ CLASS D – FUNCTION HALLS WITH ENTERTAINMENT, INCLUDING DANCING.

RENEWAL APPLICANTS: HAS ANY OR ALL OWNERSHIP CHANGED SINCE YOUR LAST APPLICATION? **YES** **NO**

BUSINESS NAME: Jasmine Cafe

PHYSICAL ADDRESS: 730 Center St Auburn ME 04210

(IF A NEW BUSINESS, WHAT WAS FORMERLY IN THIS LOCATION: _____)

MAILING ADDRESS: 730 Center Unit 10C Auburn ME 04210

BUSINESS TELEPHONE NUMBER: 207 376-4855

OWNER(S): MUST LIST EVERY PERSON OR CORPORATION WHO HAS A FINANCIAL INTEREST IN THE BUSINESS. USE ADDITIONAL PAPER IF NECESSARY.

1. OWNER: Supamnee Saengwong
DATE OF BIRTH: April 7. ~~28~~ 1982
ADDRESS: 10 Brook St (Auburn)
PRIMARY TELEPHONE NUMBER: 207 212-9655
SECONDARY TELEPHONE NUMBER (207) 376-4855

2. OWNER: _____
DATE OF BIRTH: _____
ADDRESS: _____
PRIMARY TELEPHONE NUMBER: _____
SECONDARY TELEPHONE NUMBER _____

3. OWNER: _____
DATE OF BIRTH: _____
ADDRESS: _____
PRIMARY TELEPHONE NUMBER: _____
SECONDARY TELEPHONE NUMBER _____

HAS THE APPLICANT / PARTNERS AND OR CORPORATION
OFFICERS EVER BEEN ARRESTED, INDICTED OR CONVICTED
OF ANY VIOLATION OF
LAW? _____

IF YES, LIST WHO, THE DATE, THE LOCATION AND THE
OFFENSE(S) CHARGED. _____

DOES THE ISSUANCE OF THIS LICENSE DIRECTLY OR INDIRECTLY BENEFIT ANY CITY EMPLOYEE(S)? YES NO

IF YES, LIST THE NAME(S) OF EMPLOYEE(S) AND DEPARTMENT(S): _____

HAVE ANY OF THE APPLICANTS, INCLUDING THE CORPORATION IF APPLICABLE, EVER HELD A BUSINESS LICENSE WITH THE CITY OF AUBURN? YES NO

IF YES, PLEASE LIST THE BUSINESS NAME(S) AND LOCATION(S) _____

DESCRIBE IN DETAIL THE KIND AND NATURE OF BUSINESS AND PROPOSED ENTERTAINMENT AND / OR DANCING.

Asian Food will be a mixic on
New Year's Eve

PLEASE CHECK OFF THE DAYS THAT YOU WILL BE OPEN AND FILL IN THE HOURS OF OPERATION.

SUNDAY	<u>11 AM - 9:00 PM</u>	HOURS:	<u>11 AM - 9 PM</u>
MONDAY	<u>✓</u>	HOURS:	<u>11 AM - 9 PM</u>
TUESDAY	<u>✓</u>	HOURS:	<u>11 AM - 9 PM</u>
WEDNESDAY	<u>✓</u>	HOURS:	<u>11 AM - 9 PM</u>
THURSDAY	<u>✓</u>	HOURS:	<u>11 AM - 9 PM</u>
FRIDAY	<u>✓</u>	HOURS:	<u>11 AM - 10 PM</u>
SATURDAY	<u>✓</u>	HOURS:	<u>11 AM - 10 PM</u>

Dec 31, 2014 New Year's 11 AM - 1 AM only

DESCRIBE IN DETAIL THE ROOM(S) TO BE USED UNDER THE PERMIT. _____

ATTACH A DIAGRAM OR FLOOR PLAN OF YOUR BUSINESS. ON THE DIAGRAM PLEASE LIST THE FOLLOWING:

- 1. MAIN ENTRANCE**
- 2. SECONDARY ENTRANCES**
- 3. FIRE ESCAPES**
- 4. FIRE EXTINGUISHERS**
- 5. DESIGNATED SMOKING AREAS**
- 6. LOCATION OF STATIONARY SECURITY PERSONNEL**
- 7. FOOD SERVING OR PREPARATION AREAS**
- 8. THE DIRECTION OF ANY SPEAKERS**
- 9. THE DANCING AREA**
- 10. LOCATIONS WHERE ALCOHOL WILL BE SOLD**

ATTACH A TYPED LIST OF ALL EMPLOYEES INCLUDING THE FOLLOWING INFORMATION:

- NAME (TO INCLUDE ALL PREVIOUS NAMES USED)**
- DATE OF BIRTH**
- ADDRESS**
- IF THEY HAVE EVER BEEN EVER BEEN ARRESTED, INDICTED OR CONVICTED OF ANY VIOLATION OF LAW?** _____

IF YES, LIST THE DATE, THE LOCATION AND THE OFFENSE(S) CHARGED. _____

HAS THE HAS THE APPLICANT / PARTNERS AND OR CORPORATION OFFICERS EVER HAD A SPECIAL AMUSEMENT LICENSE DENIED OR REVOKED? _____

IF YES, LIST THE DATE, THE LOCATION AND DESCRIBE THE CIRCUMSTANCES. _____

**PLEASE BE ADVISED THAT THE APPLICANT OR RE-APPLICANT
MAY BE REQUIRED TO COMPLY WITH THE FOLLOWING
CONDITIONS:**

1. APPLICANT AND OR RE-APPLICANT AGREES TO HAVE TWO COUNTERS OR CLICKERS AT EACH ENTRANCE. ONE WILL BE USED TO DOCUMENT THE PATRONS THAT HAVE ENTERED THE ESTABLISHMENT. THE SECOND WILL BE USED TO DOCUMENT THE PATRONS THAT HAVE EXITED THE ESTABLISHMENT. THIS WILL GIVE THE STAFF AND PUBLIC SAFETY PERSONNEL AN ACCURATE COUNT OF PATRONS IN THE ESTABLISHMENT.
2. APPLICANT AND OR RE-APPLICANT AGREES TO HAVE THE MAXIMUM SEATING AND OR OCCUPANCY CAPACITY CLEARLY LISTED IN EACH ROOM THAT IS OPEN TO THE PUBLIC.

3. APPLICANT AND OR RE-APPLICANT AGREES TO HAVE SECURITY AND OR STAFF STATIONED AT ALL TIMES AT ALL ENTRANCES AND EXISTS USED BY THE PUBLIC.
4. APPLICANT AND OR RE-APPLICANT AGREES TO KEEP THE DESIGNATED SMOKING AREA CLEAN AND HAVE APPROPRIATE RECEPTACLES AVAILABLE FOR THEIR PATRONS.
5. APPLICANT AND OR RE-APPLICANT AGREES TO, IF SO ORDERED BY THE CHIEF OF POLICE, TO HIRE SWORN MEMBERS OF THE AUBURN POLICE DEPARTMENT FOR SECURITY. THE RATE WILL BE AT THE CURRENT CITY OF AUBURN DETAIL RATE. THESE OFFICERS WILL SUPPLEMENT THE EXISTING STAFF OR SECURITY. THE BELOW CHART WILL BE USED AS A GUIDE IN DETERMINING THE NUMBER OF OFFICERS REQUIRED.

Number of Attendees	Number of Police
1--200	2
201--400	4
401--600	6
601+	One supervisor, and one additional officer for each 200 attendees or portion thereof in excess of 601

**SPECIAL AMUSEMENT PERMITS SHALL EXPIRE AT THE SAME
TIME AS A STATE ISSUED LIQUOR LICENSE.**

I / WE HEREBY CERTIFY THAT ALL STATEMENTS MADE IN THE APPLICATION ARE TRUE. I / WE AGREE AND UNDERSTAND THAT ANY MISSTATEMENTS OR OMISSIONS OF MATERIAL FACT HEREIN WILL RESULT IN REFUSAL OF LICENSE OR REVOCATION OF LICENSE IF ONE HAS ALREADY BEEN ISSUED.

IT IS UNDERSTOOD THAT THIS AND ANY APPLICATION(S) SHALL BECOME PUBLIC RECORD AND THE APPLICANT(S) HEREBY WAIVE(S) ANY RIGHTS TO PRIVACY WITH RESPECT THERETO.

I WE HEREBY AUTHORIZE THE RELEASE OF ANY CRIMINAL HISTORY RECORD TO THE CITY OF AUBURN. I / WE WAIVE ANY RIGHTS TO PRIVACY WITH RESPECT THERETO.

I / WE AGREE TO NOT IMPLEMENT ANY CHANGES OR MODIFICATIONS AFTER RECEIVING APPROVAL OF THE SPECIAL AMUSEMENT PERMIT. (SOME EXAMPLES ARE HOURS OF OPERATION, DAYS OF OPERATION AND THE BUILDING LAYOUT)

ALL REQUESTS FOR MODIFICATION(S) OF THE APPROVED SPECIAL AMUSEMENT PERMIT MUST BE SUBMITTED IN WRITING TO THE CITY OF AUBURN. ANY CHANGES MADE WITHOUT APPROVAL FROM THE CITY OF AUBURN MAY RESULT IN AN IMMEDIATE SUSPENSION OF THE SPECIAL AMUSEMENT PERMIT.

PENALTY: (CITY OF AUBURN ORDINANCE, CHAPTER 24, SECTION 2.23, (8)-(h))

VIOLATION OF ANY PROVISION OF SECTION 2.23. SHALL BE PUNISHED BY A CIVIL PENALTY OF FIVE HUNDRED DOLLARS (\$500.00). EACH ACT OF VIOLATION AND EVERY DAY UPON

WHICH ANY SUCH VIOLATION SHALL OCCUR SHALL CONSTITUTE A SEPARATE OFFENSE. IN ADDITION TO SUCH PENALTY, THE CITY MAY ENJOIN OR ABATE ANY VIOLATION OF SECTION 2.23 BY APPROPRIATE ACTION. IN THE EVENT THAT THE CITY SHALL PREVAIL IN ANY ACTION TO ENFORCE SECTION 2.23, THE CITY SHALL RECOVER ITS COSTS OF SUIT, INCLUDING REASONABLE ATTORNEY FEES.

IT IS UNDERSTOOD THAT I / WE WILL SUBMIT ANY ADDITIONS OR SUBTRACTIONS OF ANY FULL TIME, PART TIME OR VOLUNTEER STAFF MEMBERS WITHIN (7) SEVEN BUSINESS DAYS TO THE CITY OF AUBURN. I / WE AGREE TO SUPPLY THE REQUIRED INFORMATION ON ALL NEW EMPLOYEES. (INFORMATION REQUIRED IS FOUND ON PAGE (4) FOUR IN THIS APPLICATION.)

NAME (PRINTED) Supannee Saengwong

SIGNATURE OF INDIVIDUAL Randy Hunt

IF PARTNERSHIP, BY MEMBERS OF THE PARTNERSHIP.

NAME (PRINTED) _____

SIGNATURE OF INDIVIDUAL _____

NAME (PRINTED) _____

SIGNATURE OF INDIVIDUAL _____

NAME (PRINTED) _____

SIGNATURE OF INDIVIDUAL _____

NAME (PRINTED) _____

SIGNATURE OF INDIVIDUAL _____

NAME (PRINTED) _____

SIGNATURE OF INDIVIDUAL _____

ADMINISTRATIVE USE ONLY:

1. APPLICANT AND OR RE-APPLICANT AGREES TO HAVE TWO COUNTERS OR CLICKERS AT EACH ENTRANCE. ONE WILL BE USED TO DOCUMENT THE PATRONS THAT HAVE ENTERED THE ESTABLISHMENT. THE SECOND WILL BE USED TO DOCUMENT THE PATRONS THAT HAVE EXITED THE ESTABLISHMENT. THIS WILL GIVE THE STAFF AND PUBLIC SAFETY PERSONNEL AN ACCURATE COUNT OF PATRONS IN THE ESTABLISHMENT.

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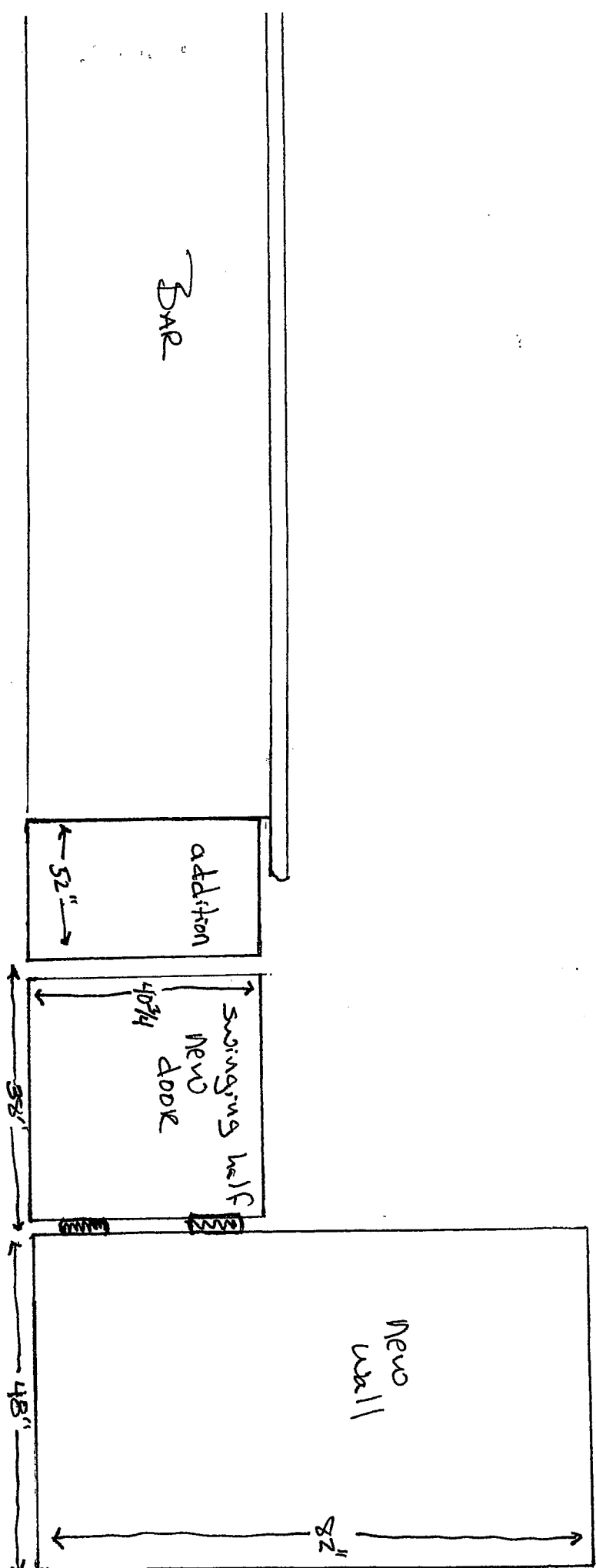
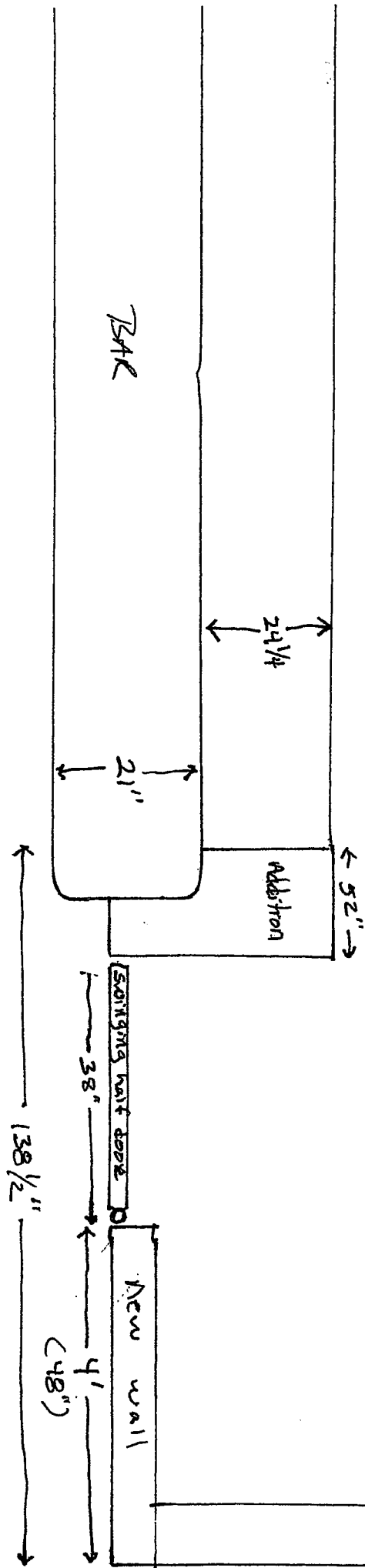
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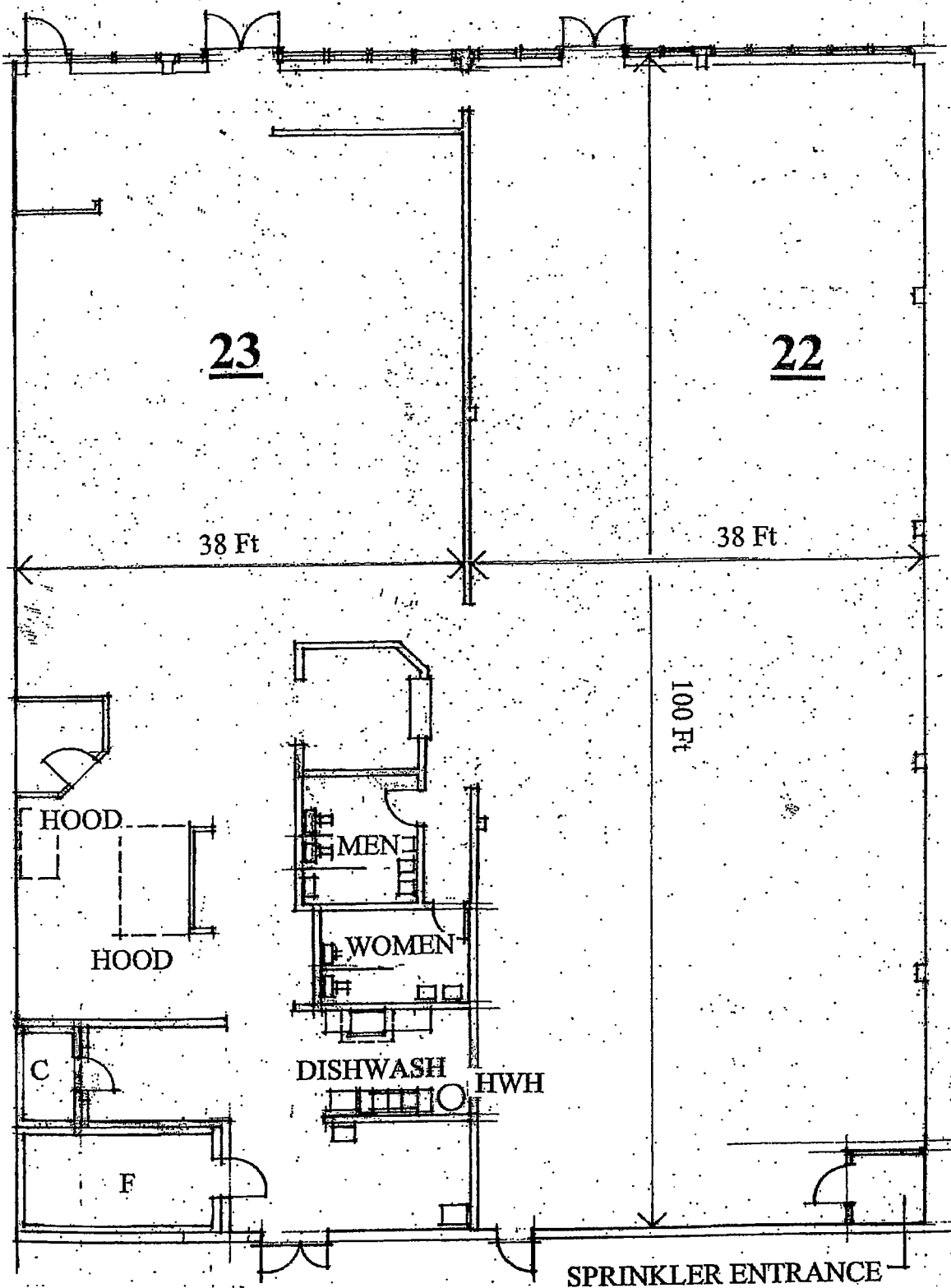
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Number of Attendees	Number of Police
1--200	2
201--400	4
401--600	6
601+	One supervisor, and one additional officer for each 200 attendees or portion thereof in excess of 601

Chapter 14-Business Licenses & Permits-Article II Sec.14-34
Certification from City Officials *Before a license is issued the City Clerk shall submit the application for certification to the Code Enforcement Officer, Fire Chief, Chief of Police and City Treasurer. Please allow at least 3 weeks for this process.*



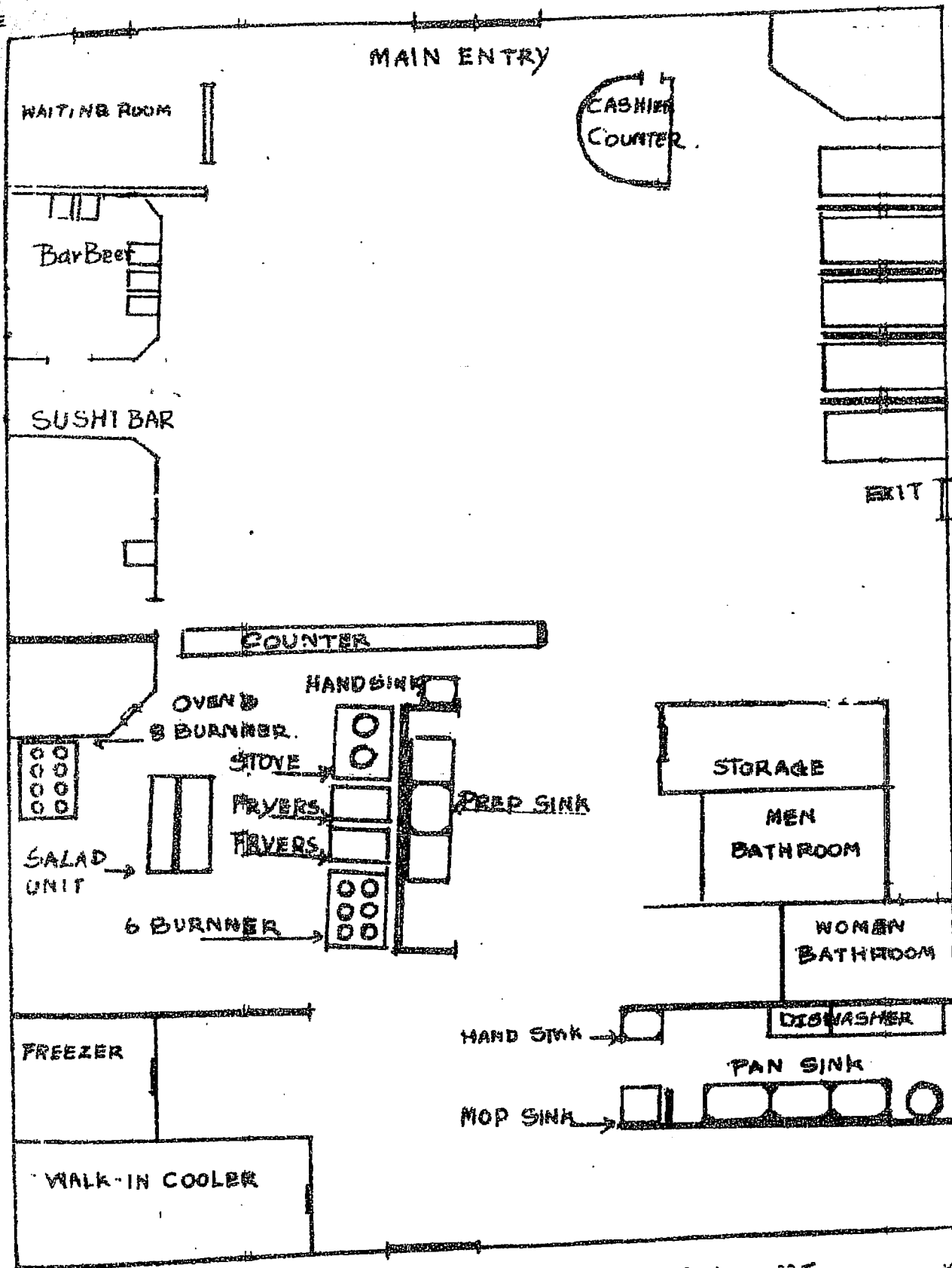


GFI

AUBURN PLAZA, AUBURN MAINE

JASMINE CAFE

Fine Thai JAPANESE & Korean cuisine



730 Center St. Auburn Plaza AUBURN ME.

08/13/2010
09/26/2010



MAINE STATE BUREAU OF IDENTIFICATION
45 Commerce Drive, Suite 1 / STATE HOUSE STATION # 42
AUGUSTA, ME 04333
(207) 624-7240 (VOICE) (207) 624-4478 (TDD)

Transaction Response #: MIQ99C345393

Criminal History Record

Introduction

This rap sheet was produced in response to the following request (Produced on 2014-11-25) :

Inquiries Name(s) SUPANNEE SAENGWONG (1982-04-07)

NO MATCH WAS FOUND FOR YOUR REQUEST.

CITY OF AUBURN PUBLIC NOTICE

A public hearing will be held on Monday, December 15, 2014 at 7:00 p.m. or as soon as possible thereafter, in the Council Chambers of Auburn Hall, 60 Court Street, to consider the Special Amusement application for:

Jasmine Café, LLC

730 Center Street, Auburn, Maine

All interested persons may appear to show cause, if any they may have, why this license should not be granted.

Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
Adam Lee, Ward Four



Leroy Walker, Ward Five
Belinda Gerry, At Large
David Young, At Large

Jonathan P. LaBonte, Mayor

IN CITY COUNCIL

ORDER 101-12152014

ORDERED, that the City Council hereby approves the Special Amusement Permit (Class C – either Restaurants or Lounges/Bars with entertainment, including dancing) for Jasmine Café, LLC., 730 Center Street.



City Council Agenda Information Sheet

City of Auburn

Council Meeting Date: 12-15-2014

Order 102-12152014

Author: Roland Miller

Subject: Hartt Transportation Industrial Park Omnibus Tax Increment Finance District #19

Information: Hartt Transportation purchased land, subdivided and environmentally permitted an industrial park. This proposal is to create tax increment finance (TIF) district #19 for the geography contained within this development. Similar to the downtown district, by creating an omnibus structure this will allow (with approval from the City Council) for the issuance of credit enhancement agreements (CEA) for any lot contained within the park.

The proposal (subject to your approval) is to capture 40% of the tax increment* and apply funds to the following work program: 1) reserve 40% of the residual for a CEA to Hartt for the recovery of their investment in public infrastructure for 20 years or until \$1,250,000 has been recovered, whichever comes first (consistent with the development agreement approved by the City Council -- attached).

*Please Note -- taxes derived from the baseline value of \$1,178,340 will go to the general fund for the life of the district.

Pro's & Con's: City of Auburn will have a fully permitted industrial park that a private investor has financed. Hartt will develop a new terminal for their use, thereby creating an increase in assessed value. They will only receive additional reimbursement when they have other investors adding new value on the other lots. The establishment of this partnership insures that vacant, subdivided and permitted lots are ready to be developed.

I don't see any downside to this proposal.

Financial: Under this proposal the City of Auburn general fund will receive all the remaining tax revenue (less the State of Maine penalties for the unsheltered portion).

Action Requested at this Meeting: Authorize the City Manager to execute all documents and submit this TIF district to the Maine Department of Economic & Community Development.

Previous Meetings and History: Hartt Development Agreement passed by City Council (7-0) June 16, 2014
Workshop December 1, 2014

Attachments: TIF Development Program and Financial Plan
Development agreement with Hartt
Order 102-12152014



CITY OF AUBURN, MAINE

#19 HARTT TRANSPORTATION INDUSTRIAL PARK OMNIBUS MUNICIPAL TAX INCREMENT FINANCING DISTRICT AND DEVELOPMENT PROGRAM

December 15, 2014

Prepared by:
Jill Cunningham, Economic Development Assistant
Roland Miller, Community & Economic Dev. Director

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Exhibit H – Order 51-06162014	
Exhibit I – Hartt Transportation Industrial Park Development Agreement	
Exhibit J - Planning Board Meeting Minutes - Approval 11.8.08	
Exhibit K – Credit Enhancement Agreement with Hartt Transportation Systems, Inc	

City of Auburn, Maine

"Maine's City of Opportunity"

Economic Development

December 15, 2014

Commissioner George Gervais
Maine Department of Economic and Community Development
Burton M. Cross Office Building
59 State House Station
Augusta, ME 04333-0059

**Re: City of Auburn, #19 Hartt Transportation Industrial Park Omnibus Municipal Tax
Increment Financing District and Development Program**

Dear Commissioner Gervais:

In accordance with Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, I am pleased to submit the application for the Hartt Transportation Industrial Park Omnibus Municipal Development Tax Increment Financing District and Development Program.

With this letter, I attest and certify all the information provided is true and correct to the best of my knowledge. Should you have any additional questions or concerns, please do not hesitate to contact my office, or the city's Economic Development staff.

Sincerely,

Howard Kroll
City Manager

cc: Roland Miller, Economic Development Director
Jill Cunningham, Economic Development Assistant

60 Court Street • Auburn, ME 04210 • (207) 333-6600
www.auburnmaine.org

Application Cover Sheet

MUNICIPAL TAX INCREMENT FINANCING

A. General Information

1. Municipality Name: City of Auburn		
2. Address: 60 Court St, Auburn, ME 04210		
3. Telephone: 207-333-6601	4. Fax: 207-333-6620	5. Email: JCunningham@auburnmaine.gov
6. Municipal Contact Person: Jill Cunningham & Roland Miller		
7. Business Name:	This is intended to be an omnibus TIF District and Development Program allowing multiple Credit Enhancement Agreements with ("companies or developers") of individual lots at the Hartt Industrial Park. The percentage of property taxes to be reimbursed to developers will be determined by City of Auburn Staff and brought to Auburn City Council for final approval.	
8. Address:		
9. Telephone:		
12. Business Contact:		
13. Principal Place:		
14. Company Structure:		
15. Place of Incorporation:		
16. Names of Officers:		
17. Principal Owner(s) Name:		
18. Address:		

B. Disclosure

1. Check the public purpose that will be met by the business using this incentive (any that apply):		
<input type="checkbox"/> job creation	<input type="checkbox"/> job retention	<input type="checkbox"/> capital investment
<input type="checkbox"/> training investment	<input checked="" type="checkbox"/> tax base improvement	<input type="checkbox"/> public facilities improvement
<input type="checkbox"/> other (list):		
2. Check the specific items for which TIF revenues will be used (any that apply):		
<input type="checkbox"/> real estate purchase	<input type="checkbox"/> machinery & equipment purchase	<input type="checkbox"/> training costs
<input type="checkbox"/> debt reduction	<input checked="" type="checkbox"/> other (list): public improvements, construction costs	

Statutory Requirements & Thresholds

#19 Hartt Transportation Industrial Park Omnibus Municipal Tax Increment Financing District

A. ACRE LIMITATION

1. Total Acreage of Municipality	41,430																										
2. Total Acreage of Proposed Municipal TIF District	43																										
3. Total Downtown acres contained in the Proposed Municipal TIF District	0																										
4. Total Transit acres contained in the Proposed Municipal TIF District	0																										
5. Total acreage of Proposed Municipal TIF District counted towards 2% cap (A2-A3-A4)	43																										
6. Percentage of total acreage in proposed municipal TIF District (cannot exceed 2%) Divide A5 by A1	0.10%																										
7. Total acreage of all existing and proposed municipal TIF districts in the municipality. Add A2 to sum of all existing TIF district acreage.	699.6																										
<table border="1"> <thead> <tr> <th>Municipal TIF #</th><th>Acres</th></tr> </thead> <tbody> <tr><td># 4</td><td>52.41</td></tr> <tr><td># 6</td><td></td></tr> <tr><td># 8</td><td>54.00</td></tr> <tr><td># 9</td><td>57.74</td></tr> <tr><td># 10</td><td>266</td></tr> <tr><td># 12</td><td>144</td></tr> <tr><td># 13</td><td>29.67</td></tr> <tr><td># 14</td><td>38.91</td></tr> <tr><td># 15</td><td>1.50</td></tr> <tr><td># 17</td><td>3.84</td></tr> <tr><td># 18</td><td>8.53</td></tr> <tr><td># 19</td><td>43</td></tr> </tbody> </table>		Municipal TIF #	Acres	# 4	52.41	# 6		# 8	54.00	# 9	57.74	# 10	266	# 12	144	# 13	29.67	# 14	38.91	# 15	1.50	# 17	3.84	# 18	8.53	# 19	43
Municipal TIF #	Acres																										
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# 17	3.84																										
# 18	8.53																										
# 19	43																										
8. Total acreage of an existing or Proposed Downtown TIF District in the municipality.	266																										
9. Total acreage of all <u>existing</u> Pine Tree Development Zone TIF Districts in the municipality.	0																										
10. Total acreage of all existing or Proposed Transit TIF Districts in the municipality.	0																										
11. Total acreage of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap. Subtract A8+A9+A10 from A7.	433.6																										
12. Percentage of total acreage in all existing and proposed Municipal TIF Districts (cannot exceed 5%) Divide A11 by A1.	1.05%																										
13. Total Acreage of all real property in the Proposed Municipal TIF District that is:																											
(Note: a, b, or c must be at least 25%)																											
a. Blighted (Divide acres by A2)																											
b. In need of rehabilitation/conservation (Divide acres by A2)																											
c. Suitable for industrial/commercial site (Divide acres by A2)	43																										
	100%																										

TOTAL																																									
B. VALUATION LIMITATION																																									
1. Total Aggregate Value of Municipality (TAV) Use most recent April 1 st		\$2,005,721,383																																							
2. Original Assessed Value (OAV) of Proposed Municipal TIF District. Use March 31 st of tax year preceding date of municipal designation		\$1,178,340																																							
3. Total OAV of all existing and Proposed Municipal TIF Districts in the municipality. Add b2 to sum of all existing TIF district OAVs		\$113,082,840																																							
	<table><tr><td></td><td>Municipal TIF #</td><td>OAV</td></tr><tr><td>#</td><td>4</td><td>\$1,702,000</td></tr><tr><td>#</td><td>6</td><td>\$520,900</td></tr><tr><td>#</td><td>8</td><td>\$366,000</td></tr><tr><td>#</td><td>9</td><td>\$5,956,300</td></tr><tr><td>#</td><td>10</td><td>\$84,411,000</td></tr><tr><td>#</td><td>12</td><td>\$334,200</td></tr><tr><td>#</td><td>13</td><td>\$5,425,400</td></tr><tr><td>#</td><td>14</td><td>\$11,155,800</td></tr><tr><td>#</td><td>15</td><td></td></tr><tr><td>#</td><td>17</td><td>\$468,800</td></tr><tr><td>#</td><td>18</td><td>\$1,564,100</td></tr><tr><td>#</td><td>19</td><td>\$1,178,340</td></tr></table>			Municipal TIF #	OAV	#	4	\$1,702,000	#	6	\$520,900	#	8	\$366,000	#	9	\$5,956,300	#	10	\$84,411,000	#	12	\$334,200	#	13	\$5,425,400	#	14	\$11,155,800	#	15		#	17	\$468,800	#	18	\$1,564,100	#	19	\$1,178,340
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7. Total OAV of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap Subtract B4+B5+B6 from B3		\$28,671,840																																							
8. Percentage of total OAV to TAV in all existing and Proposed Municipal TIF Districts (cannot exceed 5%) Divide B7 by B1		1.43%																																							

Development Program

Introduction

Industrial land suitable for development and served by air, rail and highway transportation is in short supply in the City of Auburn (the “City”). The City has been making efforts to encourage and accomplish development of an industrial park to serve that need. The Hartt Transportation Corporation (the “Developer”); in cooperation with the City, have suitable land for industrial development adjacent to Kittyhawk Ave to the north east, Hotel Rd to the north west. This land is conveniently located near the Maine Turnpike.

The City desires to attract and retain quality jobs and commercial development, create and maintain a healthy tax base, improve the economy of the City and the State of Maine, and provide for construction of new public infrastructure and improvements to facilitate economic development. In order to fulfill these goals, certain properties are being designated as the Hartt Transportation Industrial Park Omnibus Municipal Development and Tax Increment Financing District, an area consisting of approximately 43 +/- acres, comprising a portion of the City, as shown on Exhibit A attached hereto and incorporated herein by reference (the “District”). This district will be bounded by Kittyhawk Ave to the north east and Hotel Rd to the north west.

The Development Program described herein is proposed for the purpose of administering the District as a municipal tax increment financing (“TIF”) district pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes. Upon resolution of the Auburn City Council designating the District and adopting this Development Program on December 15, 2014, the designation of the District and adoption of the Development Program become final subject to approval by the Commissioner of the Maine Department of Economic Community Development (“DECD”).

The purpose of the District is reimburse Hartt’s costs associated with certain public improvements within or in support of the District, such as streets, access roads, bridges, street lights, storm drains, intersections, sidewalks, wetland mitigation and utilities such as power, water, sewer, natural gas, communications and data transmission (the “Public Improvements”).

With this in mind, the City of Auburn anticipates the creation of “omnibus” municipal TIF district and development program, which would allow Credit Enhancement Agreements (“CEAs”) to be negotiated with the City for the purpose of businesses developing site locations. The City will ‘capture’ 40% of the increased assessed value associated with new construction at the locations, as ‘Captured Assessed Value’ (CAV), for the purpose of funding the CEAs, and when circumstances allow, funding certain municipal economic development activities. Terms and conditions for each CEA will be negotiated by the City Manager or his designee, and presented for public hearing and vote by City Council.

The designation of the District and approval of the Development Program can achieve and address the issues and goals as stated previously in this introduction. An industrial park with an innovative, forward looking and omnibus (“TIF”) in place and approved framework for future development can greatly enhance the City’s statewide reputation and profile as a business location and enhance attractiveness of the District as a future industrial location, making the overall project more financially viable.

The City will use the captured tax increment revenues from the District to finance the Project as

permitted under 30-A M.R.S.A. § 5225, (the “Project Costs”), including the cost of Public District Improvements. The estimated Project Costs to be included, as part of this Development Program.

Financial Plan

The proposed municipal TIF district will encompass approximately 43 acres of taxable property with a total assessed land value as of April 1, 2013 in the amount of \$1,178,340. This development Program requires the establishment of a Development Program Fund consisting of a Sinking Fund Account pledged to and charged with payment of debt service on any Public Indebtedness and a Project Cost Account pledged to and charged with payments of Public Project Costs.

The Development program Fund is established consisting of a project cost account (“Project Cost Account”) pledged to and charged with payment of project costs outlined in the financial plan.

The Project Cost Account shall consist of one or more City cost subaccounts (the “City Project Cost Subaccount”) pledged to and charged with the payment of costs of the City’s project costs, and one or more developer cost subaccounts (the “Developer Project Cost Subaccounts”) pledged to and charged with payment of the costs of reimbursement consistent with an approved individual credit enhancement agreements.

All project Costs will be funded directly or reimbursed from incremental tax revenues of the District or from proceeds of the Bonds.

Cost Estimated for Development Program

See Exhibit I.

Public Indebtedness

Except as determined by further action of the City Council, none of the costs of any private development within the District will be financed through issuance of any municipal indebtedness. Development may, if qualified, be financed with proceeds of private activity bonds used by the City for which the applicable developer, and not the City, will have the sole responsibility to repay. The Public District Improvements and other Project Costs will be funded by the Bonds.

Anticipated Revenues

The anticipated municipal TIF Revenues will be generated by real property improvements made within the district. Investment by District developers in the City of Auburn is estimated to result in a collective municipal assessed value of \$1,178,340. See Exhibit B for more detail.

Description of the terms and conditions of any agreements, contracts or other obligations related to the development program

The City anticipates entering into CEAs with developers within the District to reimburse up to 40% of the property taxes paid on the Increased Assessed Value (IAV) in the District for twenty (20) years, or a recovery threshold not to exceed \$1.25 million, whichever comes first. This is to reimburse Hartt for building infrastructure consistent with Development Agreement signed on June 16, 2014.

Negotiation and execution of multiple CEAs is within sole council discretion giving the district program omnibus capacity. The proceeds of each CEA will be utilized by the companies or developers to defray the costs of construction, financing, and general improvement within the District as described in this Development Program.

Duration of Development Program

The duration of the District will begin after designation of the District by the Auburn City Council and the effective date of its approval by the Commissioner of Maine Department of Economic and Community Development (the original assessed value is based on the valuation as of March 31, 2014 (April 1, 2013) with the first payment during the 2014-2015 fiscal year and end in 20 years.

Physical Description of District

The District consists of 10 parcels adding up to 43 acres. The District is delineated on Exhibit A hereto.

Description of Public Facilities to be Constructed

There are no public facilities to be constructed with this project.

Relocation of Displaced Persons

No persons or businesses will be displaced or relocated as a result of the development activities proposed in the District.

Proposed Regulations and Facilities to Improve Transportation

Developer agrees to construct and equip a 30,000 ft. sq. ft. trucking terminal office and garage.

Environmental Controls

The improvements contemplated by this Development Program will comply with all federal, state and local environmental and land development laws, rules, regulations, and ordinances.

Plan of Operation after Completion

The improvements in the District will at all times be owned by the Developers, its successors or assigns, which will be responsible for payment of all maintenance expenses, insurance and taxes on said improvements.

During the life of the District, the City Manager or the Manager's designee will be responsible for all administrative matters concerning the implementation and operation of the District. The Developers shall be solely responsible for implementation of the Project in the District.

Public Hearing

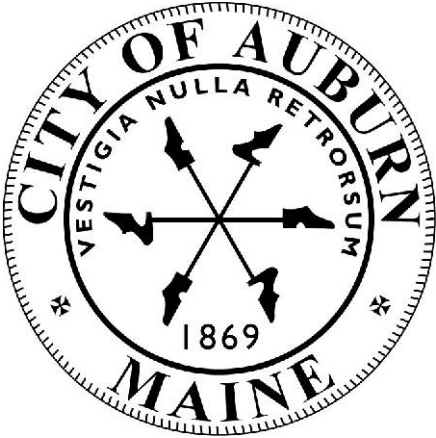
Attached hereto as Exhibit E is a copy of the Notice of Public Hearing held in accordance with the requirements of 30-A M.R.S.A. § 5226(1). The Notice was published in the Lewiston Sun Journal, a newspaper of general circulation in Auburn on December 4, 2014 a day at least ten (10) days prior to the public hearing. A public hearing was held at the City Council meeting on December 15, 2014.

Authorizing Votes

Attached as Exhibit G are copies of the votes by the City Council of the City of Auburn meeting thereof duly called and held on December 15, 2014 approving the designation of the District and adoption of this Development Program.

TIF #19

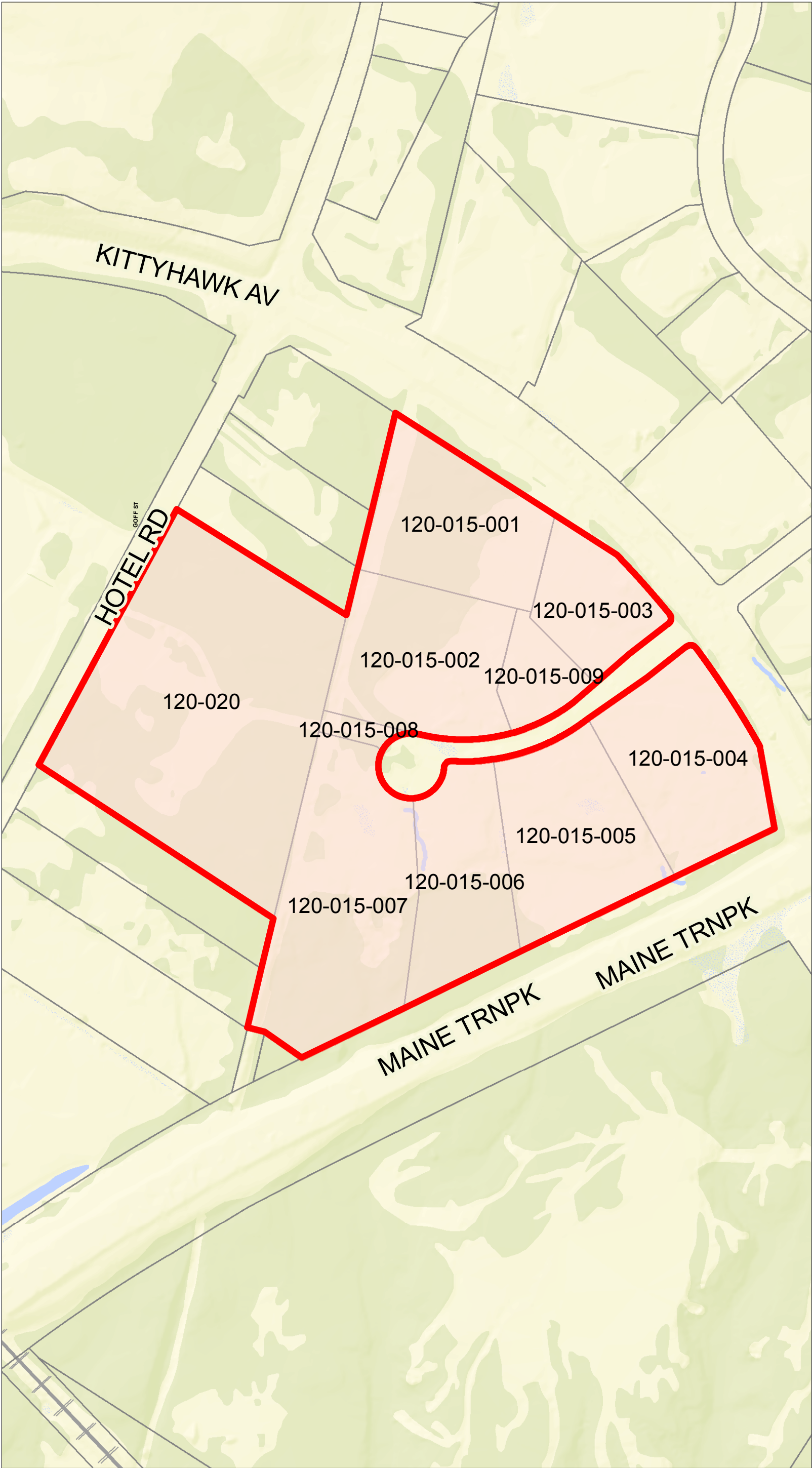
Hartt Transportation Industrial Park
Omnibus Municipal TIF District



City of Auburn

60 Court St
Auburn, ME 04210
207-333-6601
www.auburnmaine.gov

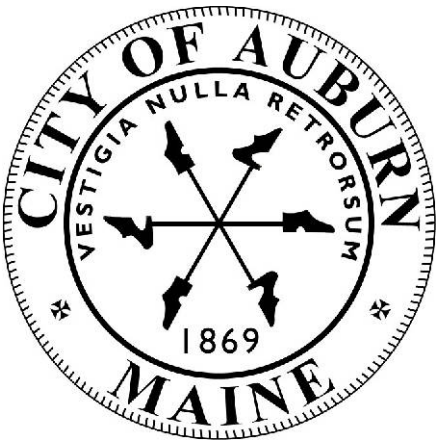
TIF #19



The data used in these applications were derived from Auburn's digital databases. While every effort has been made to ensure that these data are accurate and reliable, the City of Auburn cannot accept any responsibility for any errors, omissions, or positional accuracy, and therefore, there are no warranties which accompany this product. Users of the information displayed on this map are strongly cautioned to verify all information before making any decisions.

0 250 500 Feet

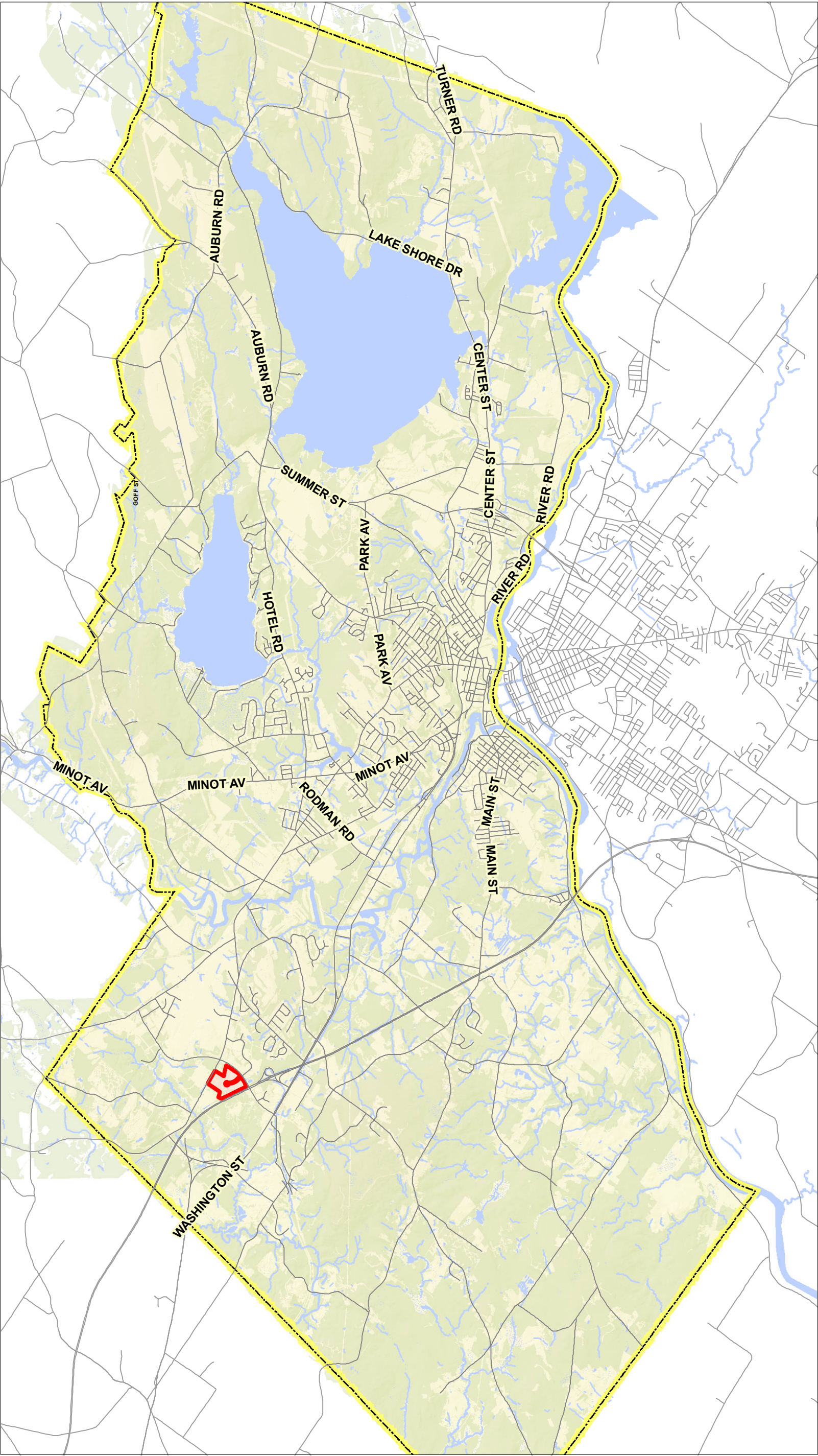
TIF #19 Hartt Transportation Industrial Park Omnibus Municipal TIF District



City of Auburn

60 Court St
Auburn, ME 04210
207-333-6601
www.auburnmaine.gov

 TIF #19



0 0.5 1 2 Miles



The data used in these applications were derived from Auburn's digital databases. While every effort has been made to ensure that these data are accurate and reliable, the City of Auburn cannot accept any responsibility for any errors, omissions, or positional accuracy, and therefore, there are no warranties which accompany this product. Users of the information displayed on this map are strongly cautioned to verify all information before making any decisions.

#19 HARTT TRANSPORTATION INDUSTRIAL PARK OMNIBUS MUNICIPAL DEVELOPMENT AND TAX
INCREMENT FINANCING DISTRICT
DEVELOPMENT PROGRAM
EXHIBIT B

CERTIFICATE OF CITY ASSESSOR
CITY OF AUBURN, MAINE

The undersigned City Assessor for the City of Auburn, Maine, does hereby certify pursuant to the provisions of 30-A M.R.S.A. § 5227 (2) that the taxable real property value of the Hartt Transportation Industrial Park Omnibus Municipal Development and Tax Increment Financing District #19, as described in the development program is \$1,178,340 as of March 31, 2014 (April 1, 2013).

A list of all parcels is listed below, which shows each individual parcel's value as of March 31, 2014 (April 1, 2013).

Taxable Real Property:

Map/Lot	Acres	Taxable Real Property
120-020	12.19	\$ 208,800.00
120-015-001	4.04	\$ 180,300.00
120-015-002	4.2	\$ 122,500.00
120-015-003	2.26	\$ 94,600.00
120-015-004	4.31	\$ 124,000.00
120-015-005	4.3	\$ 123,900.00
120-015-006	3.42	\$ 11,140.00
120-015-007	6.45	\$ 154,300.00
120-015-008	0.29	\$ 3,400.00
120-015-009	1.16	\$ 155,400.00

IN WITNESS WHEREOF, this certificate has been executed this 24th day of November, 2014.

CITY OF AUBURN, MAINE
CITY ASSESSOR:

Print Name: _____

City of Auburn
#19 Hartt Transportation Industrial Park Omnibus District
Exhibit C - Financial Projections

Inputs	
FY13-14 Valuation	\$ 1,178,340
Term	20 years

Tax Year	Projected Mill Rate	Original Base Value	Projected Annual Assessed Value	Hartt Credit Enhancement Agreement	Projected Tax Increment Revenue to General Fund	IAV Capture
FY14-15	0.02095	\$ 1,178,340	\$ 1,178,340		\$ -	
FY15-16	0.02095	\$ 1,178,340	\$ 6,178,340	\$ 51,774	\$ 52,976	40%
FY16-17	0.02095	\$ 1,178,340	\$ 6,178,340	\$ 51,774	\$ 52,976	40%
FY17-18	0.02095	\$ 1,178,340	\$ 12,178,340	\$ 102,054	\$ 128,396	40%
FY18-19	0.02095	\$ 1,178,340	\$ 18,178,340	\$ 152,334	\$ 203,816	40%
FY19-20	0.02095	\$ 1,178,340	\$ 26,178,340	\$ 219,374	\$ 304,376	40%
FY20-21	0.02095	\$ 1,178,340	\$ 32,178,340	\$ 269,654	\$ 379,796	40%
FY21-22	0.02095	\$ 1,178,340	\$ 32,178,340	\$ 269,654	\$ 379,796	40%
FY22-23	0.02095	\$ 1,178,340	\$ 38,178,340	\$ 133,379	\$ 641,771	40%
FY23-24	0.02095	\$ 1,178,340	\$ 38,178,340		\$ 775,150	40%
FY24-25	0.02095	\$ 1,178,340	\$ 38,178,340		\$ 775,150	40%
FY25-26	0.02095	\$ 1,178,340	\$ 38,178,340		\$ 775,150	40%
FY26-27	0.02095	\$ 1,178,340	\$ 38,178,340		\$ 775,150	40%
FY27-28	0.02095	\$ 1,178,340	\$ 38,178,340		\$ 775,150	40%
FY28-29	0.02095	\$ 1,178,340	\$ 38,178,340		\$ 775,150	40%
FY29-30	0.02095	\$ 1,178,340	\$ 38,178,340		\$ 775,150	40%
FY30-31	0.02095	\$ 1,178,340	\$ 38,178,340		\$ 775,150	40%
FY31-32	0.02095	\$ 1,178,340	\$ 38,178,340		\$ 775,150	40%
FY32-33	0.02095	\$ 1,178,340	\$ 38,178,340		\$ 775,150	40%
FY33-34	0.02095	\$ 1,178,340	\$ 38,178,340		\$ 775,150	40%
FY34-35	0.02095	\$ 1,178,340	\$ 38,178,340		\$ 775,150	40%
Totals:				\$ 1,250,000	\$ 11,445,700	

Investment Assumptions	
FY13-14	
FY14-15	
FY15-16	\$ 5,000,000
FY16-17	
FY17-18	\$ 6,000,000
FY18-19	\$ 6,000,000
FY19-20	\$ 8,000,000
FY20-21	\$ 6,000,000
FY21-22	
FY22-23	\$ 6,000,000
Total	\$ 37,000,000

TAX SHIFT FORMULAS*

It is required during any application for designation as a tax increment financing district to calculate tax shifts that result from the creation of the District. These tax shifts are noted in the following basic formulae that use local property tax valuation as a basis for calculations. These formulae provided by DECD are:

- Municipal Share of County Taxes
- Revenue Sharing
- Education Costs

The following is the process used to derive these tax shifts.

County Tax Shift

In order to produce this result, information must be obtained from the Maine Revenue Services and the County government of which the District will reside in. First, the most recent County State Valuation should be obtained. The averaged Captured Assessed Value for the District for the life of the project will then be determined. The averaged Captured Assessed Value is then divided by the Current County State Valuation. To find the estimated average county tax over the life of the District, you must obtain the County Tax for the Town for the last five years. The average change is then determined and projected to the middle of the districts life. This projected tax was multiplied by the factor developed above to arrive at the County Tax Shift.

$$\frac{\text{(Captured Assessed Value)}}{\text{(Captured Assessed Value + Current County State Valuation)}} \times \text{Estimated Average Annual County Tax}$$

Revenue Sharing Shift

The total Municipal Revenue Sharing amount was obtained from the State Treasurer in order to complete the following formula:

Step 1:

$$\frac{\text{Municipal Population} \times \text{Local Property Tax Levied}}{\text{State Local Valuation}} = \text{Current Factor}$$

Step 2:

$$\frac{\text{Municipal Population} \times \text{Local Property Tax Levied}}{\text{State Local Valuation} + \text{Captured Assessed Value}} = \text{Adjusted Factor}$$

Step 3:

$$\frac{\text{Current Factor}}{\text{Adjusted Factor}} = 1.X$$

Step 4:

$$1.X - 1.0 = .X$$

Step 5:

$$.X (\text{Total Municipal Revenue Sharing Amount}) = \text{Revenue Sharing Shift}$$

Education Tax Shift

State law requires that an estimate be made of how much of a loss in State aid to education a community would experience had the TIF District not been created. The premise for this requirement is that if the TIF did not exist and the development still occurred, other taxing jurisdictions would benefit by the (TIF) Town paying more and receiving less.

Historically, the methodology used to determine the fiscal impact from the establishment of a TIF District was to multiply the Captured Assessed Value by the constant .009. The result would be an annual and cumulative “Education Tax Shift” for the proposed district. Changes in the distribution of State funding for education have required TIF applicants to develop other methodologies that more accurately reflect the “Education Shift”.

**From Department of Economic and Community Development – Municipal Tax Increment Financing Manual 11-20-2011*

City of Auburn
#19 Hartt Transportation Industrial Park Omnibus District
Exhibit D - Tax Shift Projections

Tax Year	Avoided Loss in State Allocation For Education	Avoided Loss in Revenue Sharing	Avoided Increase In County Tax	Total Tax Shifts
FY14-15	10,605.06	994.49	303.09	\$ 11,887.35
FY15-16	10,605.06	994.49	303.09	\$ 11,887.35
FY16-17	10,605.06	994.49	303.09	\$ 11,887.35
FY17-18	10,605.06	994.49	303.09	\$ 11,887.35
FY18-19	10,605.06	994.49	303.09	\$ 11,887.35
FY19-20	10,605.06	994.49	303.09	\$ 11,887.35
FY20-21	10,605.06	994.49	303.09	\$ 11,887.35
FY22-23	10,605.06	994.49	303.09	\$ 11,887.35
FY23-24	10,605.06	994.49	303.09	\$ 11,887.35
FY24-25	10,605.06	994.49	303.09	\$ 11,887.35
FY25-26	10,605.06	994.49	303.09	\$ 11,887.35
FY26-27	10,605.06	994.49	303.09	\$ 11,887.35
FY27-28	10,605.06	994.49	303.09	\$ 11,887.35
FY28-29	10,605.06	994.49	303.09	\$ 11,887.35
FY29-30	10,605.06	994.49	303.09	\$ 11,887.35
FY30-31	10,605.06	994.49	303.09	\$ 11,887.35
FY31-32	10,605.06	994.49	303.09	\$ 11,887.35
FY32-33	10,605.06	994.49	303.09	\$ 11,887.35
FY33-34	10,605.06	994.49	303.09	\$ 11,887.35
FY34-35	10,605.06	994.49	303.09	\$ 11,887.35
Totals:	\$ 212,101.20	\$ 19,889.80	\$ 6,061.80	

EXHIBIT E

CITY OF AUBURN
PUBLIC NOTICE

Notice is hereby given that the City of Auburn, Maine, will hold a public hearing on December 15, 2014 at 7PM or as soon as possible thereafter at the City Council Chambers, Auburn Hall building, 60 Court St, Auburn, ME. The purpose of receiving public comments on the designation of its proposed Hartt Transportation Industrial Park Omnibus Tax Increment Financing District #19 and the adoption of said Municipal Development and Tax Increment Finance District, pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended.

The proposed Hartt Transportation Industrial Park Omnibus Municipal Development and Tax Increment Financing District consists of certain property, approximately 43 acres, located with Kittyhawk Ave to the north east and Hotel Rd to the north west.

A copy of the proposed development program for the district is on file with the City Clerk and may be reviewed at the offices of the city clerk during normal business hours. All interested parties are invited to attend the public hearing and will be given an opportunity to be heard at that time.

Please publish: Wednesday Dec 3rd, 2014

Exhibit H

Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
Adam Lee, Ward Four



Leroy Walker, Ward Five
Belinda Gerry, At Large
David Young, At Large

Jonathan P. LaBonte, Mayor

IN CITY COUNCIL

ORDER 51-06162014

ORDERED, that the City Manager is hereby authorized to sign the attached Development Agreement with Hartt Transportation Systems, Inc. and/or BBW & R Properties, LLC and have prepared, for City Council action, documents referenced therein.



A TRUE COPY ATTEST

Susan Cements Dallaire

CITY CLERK

Passage on 06/16/2014 5-2 (Councilors Crowley and Gerry opposed).

**Hartt Transportation Industrial Park
Development Agreement**

This development agreement is made and entered into this 16th day of June, 2014, by and between the City of Auburn, a municipal body, corporate and politic and political subdivision of the State of Maine having a mailing address of Auburn Hall, 60 Court St., Auburn, Maine 04210 (hereinafter called the "City") and Hartt Transportation Systems, Inc., a Maine Corporation, having a mailing address of 262 Bomarc Road, Bangor, Maine 04401 and/or BBW & R Properties, LLC, a Maine limited liability company having a mailing address of 262 Bomarc Road, Bangor, Maine 04401 (hereinafter collectively called the "Developer").

Witnesseth:

WHEREAS, the City has adopted a comprehensive land-use plan for the development of the area around Turnpike Interchange #75; and

WHEREAS, that plan recommends concentrated commercial and industrial development to be located in this area; and

WHEREAS, the City is desirous of attracting new investment in the form of commercial and industrial projects; and

WHEREAS, the Developer has acquired a strategically located parcel of land for the purpose of accommodating mixed-use industrial and commercial development projects; and

WHEREAS, the Developer has subdivided the land and is ready to make a significant investment to complete the utility extensions, modify Kitty Hawk Ave. and construct a new transportation terminal on the property; and

WHEREAS, the City and the Developer have agreed to enter into a cooperative effort to bring the project to fruition; and

WHEREAS, the City and the Developer have, in this document, set forth the business terms and responsibilities of the respective parties in implementing these projects.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, it is hereby agreed as follows:

1. Location

The parcels of land, subject to this agreement, are located on the south side of Kitty Hawk Ave., Auburn, Maine, between the Maine Turnpike and Hotel Road as shown on the attached map. The property tax identification numbers are as follows: 120-020, 120-015-001, 120-015-002, 120-015-003, 120-015-004, 120-015-005, 120-015-006, 120-015-007 and 120-015-009 as depicted on the Auburn, Maine tax maps. Additional land, shown on the subdivision plan as dedicated space for public utilities and public road, is also subject to this agreement.

2. Off-site Infrastructure Impacts

As major projects are developed within the subdivision, capacity of the surrounding transportation network is absorbed. Traffic study data, that was a part of the original subdivision review, has documented the need to create a protected left turn for West bound traffic on Kitty Hawk Ave. This improvement is needed because the volume of traffic on Kitty Hawk Ave. continues to increase.

3. Development Program

In an effort to induce the Developer to incur the costs enumerated below the parties agree as follows:

Developer –

A. Agrees to produce the final engineered designs (for both the on-site and off-site improvements necessary to service development projects), secure the necessary financing to construct improvements, obtain all required permits and manage the project (estimated cost \$1.2 million), subject to any deadlines set out in the TIF or the CEA.

B. Agrees to finance, construct and equip a 30,000 ft. sq. ft. trucking terminal office and garage (estimated cost \$3.8 million), subject to any deadlines set out in the TIF plan or the CEA, and also subject to Planning Staff approval.

City –

A. Agrees to execute a Tax Increment Financing (TIF) plan and credit enhancement agreement (CEA) that will provide for the recovery of a portion of the costs noted above. The recovery of cost will include only those costs associated with providing public infrastructure and off-site improvements. The amount to be recovered will be done by providing a tax payment reimbursement on all the new real estate investment that occurs within the subdivision as determined by the City. Payment under the CEA shall be 40% of the tax revenues generated by new development (real estate only). The term of this agreement will be 20 years or a recovery threshold not to exceed \$1.2 million, which ever comes first.

All obligations of the City are conditioned on the Parties entering into a CEA and Developer performing all of its obligations under the TIF, CEA, and this Agreement.

4. Design Review Consultation

The Developer will review and consult with the City concerning the design of the off-site and on-site public infrastructure improvements, which shall be subject to Auburn Planning Staff approval.

5. Regulatory Compliance

The Developer will construct the public improvements in conformance with all federal, state and local regulatory requirements.

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6. Miscellaneous

a. This Agreement and any documents or exhibits which may be described herein or attached hereto set forth the entire Agreement and understanding of the parties in respect to the transactions contemplated hereby and supersedes all prior agreements, arrangements, and understandings related to the subject matter hereof.

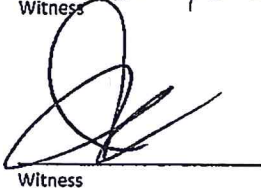
b. This Agreement shall be governed by and construed in accordance of the laws of the State of Maine applicable to agreements made and to be performed therein. Except to the extent the parties may mutually agree to the contrary, all disputes arising on this Agreement shall be brought in the state or federal courts of the State of Maine and each party to this Agreement hereby submits to the jurisdiction of the state and federal courts of the State of Maine, and agrees that service of process may be made upon each party by certified mail, return receipt requested, to the current addresses of the parties, or to such address as may be changed from time to time. The prevailing party in any such dispute shall be entitled to recover, in addition to the claim for damages, indemnification or expense, all costs and expenses of proceeding with such claim, including reasonable attorney's fees.

c. Any amendment to this Agreement shall be in writing, signed by all parties.

d. Any waiver of a term or condition of this Agreement shall be a waiver of that term or condition only and shall not be deemed a waiver of any other term or condition.

IN WITNESS WHEREOF, the City and the Developer have executed this Development Agreement the
16th day of June, 2014.


Witness


Witness


Witness

City of AUBURN

By: 
Its City Manager

Hartt Transportation Systems, Inc.

By: 
Its President

BBW & R Properties, LLC


By: 
Its Member

Exhibit J

Auburn Planning Board Meeting Minutes

November 18, 2008

Roll Call - Present:

Dan Moreno, Rob Farrington; Acting Chair, Tim Goss, Preston Chapman Richard Whiting, and William Skelton.

Minutes:

A motion was made by Tim Goss, seconded by Dan Moreno and voted unanimously to approve the minutes of the July 8, 2008, August 12, 2008, September 9, 2008 and October 14, 2008 Planning Board meetings.

Public Hearings:

Kittyhawk Business Park – Final Major Subdivision - 565 Kittyhawk Avenue - Joe Casalinova of Building Solutions, LLC., Agent for Hartt Transportation Systems Inc is seeking Final Major Subdivision Review for the proposed Kittyhawk Commercial Subdivision, a seven (7) Lot Subdivision of 30+/- acres, to be located at 565 Kittyhawk Avenue, (PID # 120-015), Pursuant to Section 7.3 of Chapter 29.

Eric Cousens went over the staff report.

Joseph Casalinova of Building Solutions said the biggest change was going from a 6-lot to a 7-lot subdivision and felt they had addressed all of the technical aspects of all of the department's requirements.

Open Public Hearing

No Comments.

A motion was made by Tim Goss, seconded by Dan Moreno and all voted unanimously to close the public hearing. (5-0-0)

A motion was made by Richard Whiting, seconded by Preston Chapman and all voted unanimously to approve. (5-0-0)

Pine Tree Pellet Fuels Inc – Special Exception - 512 Trapp Road - Request of David Kidwell agent for Pine Tree Pellett Fuels LLC. to establish a new use of the property at 512 Trapp Road as a wood pellet manufacturer pursuant to Section 3.31.B.2.a of Chapter 29.

Eric Cousens read the staff report.

The applicant, David Kidwell of Pine Tree Pellet Fuels, submitted for Public Record a document comparing the noise levels of a similar type operation.

Open Public Hearing

Kenneth Bellefleur of 100 Royal River Road stated the following:

- Concerned about the raw material delivery; said he was skeptical that they can run a business with just 1 load of 20 tons of pellets per week.
- Stated that roads were usually posted in the winter and wondered what the business would do at that time.
- Questioned the 4 persons employed limitation.
- Said he had an issue of the proposed timeline that was outlined in the staff report for the previous business.
- Stated vandalism had stopped after all items of value had been taken and was concerned about new business not being monitored and vandals returning.
- Said he had an issue with the term “incidental” in the Zoning Ordinance. He said the saw mill should be going along with a wood harvesting operation that’s also located onsite by the letter of the intent of the ordinance.
- Said he didn’t see any evidence that this building was ever legally non-conforming. He said there was nothing documenting when the building was constructed or when Maine Pride took it over and began operating that it was legally non-conforming.

A motion was made by Tim Goss, seconded by Dan Moreno and all voted unanimously to close the public hearing. (5-0-0)

A motion was made by Richard Whiting, seconded by Tim Goss and all voted unanimously to table the public hearing. (5-0-0)

Gendron Distribution Center - Special Exception & Site Plan & PUD-I. - Approval request of Sebago Technics Inc. agent for Gendron and Gendron Inc. to modify the Gendron Distribution Center Plans to include a new property line at 55 Logistics Drive (Portion of ID# 119-004) pursuant to Section 3.51, 3.71.B.1.1. & Section 3.71.B.2.gg of Chapter 29.

Eric Read the staff report.

Michael Gotto of Sebago Technics explained the proposal.

Open Public Hearing

No Comments.

A motion was made by Tim Goss, seconded by Dan Moreno and all voted unanimously to close the public hearing. (5-0-0)

A motion was made by Tim Goss, seconded by Preston Chapman and all voted unanimously to approve. (5-0-0)

Old Business: None

New Business: Eric mentioned there would be 2 items on the agenda for the December meeting.

Miscellaneous: None

Adjournment

CREDIT ENHANCEMENT AGREEMENT

Between

CITY OF AUBURN, MAINE

And

Hartt Transportation Systems, Inc

Dated as of December 15, 2014

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CREDIT ENHANCEMENT AGREEMENT
BETWEEN THE
CITY OF AUBURN
AND
Hartt Transportation Systems, Inc

This **Credit Enhancement Agreement** dated as of December 15, 2014 between the **City of Auburn, Maine** (the "City"), a municipal body corporate and politic and a political subdivision of the State, and **Hartt Transportation Systems, Inc** (the "Developer").

WITNESSETH THAT:

Whereas, the City designated the #19 Hartt Transportation Industrial Park Omnibus Municipal Tax Increment Financing District (the "District") pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes by action of the Auburn City Council on December 15, 2014 (the "Vote"), and pursuant to the same Vote adopted a Development Program and Financial Plan for the District (the "Development Program"); and

Whereas, the City submitted the Development Program to Department of Economic and Community Development for the Department's review and approval of the District and a Development Program on December 2014; and

Whereas, the Development Program contemplates the execution and delivery of this Agreement by the City and the Developer; and

Whereas, the execution and delivery of this agreement by the City has been authorized and approved pursuant to a resolution and vote of the City Council on December 15, 2014; and

Now therefore, in consideration of the foregoing and in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

ARTICLE 1: DEFINITIONS

Section 1.1. Definitions.

The terms defined in this Article 1 shall, for all purposes of this Agreement, have the meanings herein specified, unless the context clearly requires otherwise:

"Act" means Chapter 206 of Title 30-A of the Maine Revised Statutes and regulations adopted hereunder, as amended from time to time.

"Administrative expense(s)" means the costs incurred by the City in administering the Development Program and this Agreement.

"Agreement" means this Credit Enhancement Agreement between the City and the Developer

City of Auburn

dated as of the date set forth above.

"City" means the City of Auburn, Maine.

"Department" means Department of Economic and Community Development.

"Developer" means Hartt Transportation Systems, Inc, their successors and assigns.

"Developer's Share" means 40% of the tax revenues derived from the new added value of the project in tax fiscal years 2015-35 or a recovery threshold not to exceed \$1.25 million, which ever comes first.

"Development Program" means the #19 Hartt Transportation Industrial Park Omnibus Municipal Tax Increment Financing District Development Program, which was approved by the Department on December 2014.

"Development Program Fund" means the development program fund described in the Financial Plan section of the Development Program and established and maintained pursuant to Article III hereof.

"District" means the #19 Hartt Transportation Industrial Park Omnibus Municipal Tax Increment Financing District more particularly described in the Development Program and to be designated by the City pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by vote at the City Council meeting.

"Effective Date" means the date hereof.

"Financial Plan" means a financial plan described in the "Financial Plan" section of the Development Program.

"Original Assessed Value" means \$1,178,340.

"Project" means the road development costs and Hartt Terminal project as described in the Development Program.

"Property" means all real property located within the District.

"Property Taxes" means any and all valorem property taxes assessed against the Property within the District by the City or on its behalf.

"Qualified Investments" means any and all securities, obligations or accounts in which municipalities may invest their funds pursuant to 30-A MRSA subsections, as amended from time to time.

"Regulations" means the regulations enacted by the Department pursuant to the Act.

"State" means the State of Maine.

"Tax Increment Revenues" means the portion of all real property taxes assessed in any Tax Year by the City, in excess of any state, county or special district tax, upon the captured assessed value of property in the District.

"Tax Payment Date" means the date(s), as determined by the City from time to time, on which property taxes assessed by the City are due and payable without interest from owners of property located within the City.

"Tax Year" means the twelve-month period beginning July 1 and ending June 30 or any other tax year hereafter adopted by the City.

Section 1.2. Interpretation and Construction.

In this Agreement unless the context otherwise requires:

The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Agreement, refer to this Agreement, and the term "hereafter" means after, and the term "heretofore" means before, the date of delivery of this Agreement.

Words importing a particular gender mean and include correlative words of every other gender and words importing a singular number mean and include the plural number and vice versa.

Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public or governmental bodies, as well as any natural persons.

Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to the copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

All notices to be given hereunder shall be given in writing and, unless a certain number of days is specified, within a reasonable time.

If any clause, provision or Section of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or Section shall not affect any of the remaining provisions hereof except as expressly provided in Section 3.5.

Any term used herein and in the Act or the Regulations and not defined herein shall have the meaning ascribed to such term in the Act or the Regulations.

ARTICLE II: DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS

Section 2.1. Creation of Development Program Fund.

Within thirty (30) days after the Effective Date, the City shall create and establish a segregated sub-account in the name of the City designated as the "Hartt Transportation Systems, Inc Fund" within the #19 Hartt Transportation Industrial Park Omnibus Municipal Tax Increment Financing District Development Program Fund" or "Development Program Fund" pursuant to, and in accordance with the terms and conditions of, the Development Program and within the Development Program Fund will establish a segregated account for the benefit of the Developer "Hartt Transportation Systems, Inc Project Cost Account".

Section 2.2. Liens.

Except as provided in this Agreement, the City shall not create any lien or encumbrance on, or create or transfer any other interest of any nature whatsoever in, nor shall it hypothecate, the Hartt Transportation Systems, Inc Project Cost Account or any funds therein or revenues resulting from investment of funds therein, other than the interest of the Developer hereunder; provided, however, nothing herein shall prohibit creation of real and personal property tax liens on the Developer's property in accordance with, and, entitled to the priority provided under, State law.

Section 2.3. Deposits into Development Program Fund.

Starting with the 2014-2015 tax year and for each year thereafter until 2034-2035 there shall be deposited into the Development Program Fund contemporaneously with each payment of property tax by the Developer during the term of this Agreement an amount equal to 40% of the property tax payment constituting Tax Increment Revenues from within the District for the period to which the payment relates; provided, however that such deposits to the Development Program Fund shall be due and payable solely from such property tax payments. The term of this agreement will be 20 years or a recovery threshold not to exceed \$1.25 million, whichever comes first. The City shall retain any and all revenues resulting from investment of moneys on deposit in the Development Program Fund and shall be reimbursed for the City's Administrative Expense in administering the Program and this Agreement, which sum shall not exceed \$10,000 per year from the Development Program Fund out of the City's share. Contemporaneously with the deposit into the Development Program Fund, the City shall deposit into the Hartt Transportation Systems, Inc Cost Account, an amount equal to the Developer's Share, provided that the aggregate amount paid under this agreement shall not exceed the total Project Cost incurred by the Developer for the term of the Development Program within the District.

Section 2.4. Use of Monies in Development Program Fund.

Monies deposited in the Hartt Transportation Systems, Inc exclusive of investment earnings thereon, shall be used and applied exclusively to fund the City's payment obligation described in Article III hereof. All investment earnings shall be for the benefit of the City and free of any

City of Auburn

interest of the Developer under this Agreement.

Section 2.5. Monies Held for Benefit of Developer.

All monies actually paid into the Development Program Fund under the provisions hereof and the provisions of the Development Program and all investment earnings thereon shall be held by the City for the benefit of the Developer and the City as their interest may appear.

All monies actually paid into the Hartt Transportation Systems, Inc Project Cost Account under the provisions hereof and the provisions of the Development program shall be held by the City, in trust, for the benefit of the Developer.

Cost paid by the developer and subject to reimbursement include:

1) Road, sewer and underground	\$702,000
2) Power	\$208,000
3) Design & Permitting	\$140,000
4) Fees & Contingencies	\$60,000
	<hr/>
	\$1,110,000
Kitty Hawk modifications*	\$140,000
Total Reimbursement	<hr/>
	\$1,250,000

*(To be completed within the first five years)

Section 2.6. Investments.

The monies in the Development Program Fund shall be invested and reinvested in Qualified Investments as determined by the City. The City shall have discretion regarding the investments of such monies, provided such monies are invested in Qualified Investments. As and when any amounts thus invested may be needed for disbursements, the City shall cause a sufficient amount of such investments to be sold or otherwise converted into cash to the credit of the Development Program Fund. The City shall have the sole and exclusive right to designate the investments to be sold and to otherwise direct the sale or conversion to cash of investments made with monies in the Development Program Fund. The City shall not be liable on account of its investment decisions as long as such decisions are made in accordance with this section.

Section 2.7. Administrative Expenses.

Annually the City shall be reimbursed from the Development Program Fund, from interest earned on the deposited funds, its administrative costs and administering the Program and this Agreement up to the maximum sum per year of \$10,000. Such Administrative Expense shall not be paid from the Developer's Share.

ARTICLE III: PAYMENT OBLIGATIONS

Section 3.1. Developer Payments.

The Developer shall pay, when due, all amounts due pursuant to this Agreement. The City may withhold from any payment to be made by the City pursuant to this Agreement at any time any amount due from the Developer pursuant to this Agreement that is due and unpaid.

Section 3.2. Credit Enhancement Payments.

Within thirty (30) days following the date of receipt of each tax payment with respect to property within the District, the City shall pay to the Developer all amounts then on deposit in the Hartt Transportation Systems, Inc Project Cost Account, exclusive of investment earnings thereon. Such payments shall be used to satisfy debt service on indebtedness incurred to finance qualified "Project Costs" incurred by the Developer as that term is defined under Chapter 206 of Title 30-A. of the Maine Revised Statutes and as described in the Development Program or used to pay directly, or reimburse Developer for payment of, such Project Costs. Said payments shall commence with respect to tax payments made in the 2014-2015 tax year and continue for the period described in Section 2.3 hereof.

If, with respect to any tax payment date, Developer fails to pay any portion of the Property Taxes assessed by the City, because of a valuation dispute or otherwise, the Property taxes actually paid by Developer with respect to such tax payment date shall, first, be applied to taxes due on account of Original Assessed Value and, second constitute Retained Tax Increment Revenues.

The Developer (and its successors and assigns, as owners of property in the District) shall pay to the City, when due, all Property Taxes and assessments with respect to property of the Developer in the City of Auburn. If such Property Taxes and assessments are not paid when due, the City may withhold and suspend all payments under this Agreement until such Property Taxes and assessments and all interest thereon and other costs relating thereto are paid in full. In addition, if the Developer institutes any tax abatement proceedings with respect to any Property in the district, the City may withhold and suspend all payments of the Developer's Share of the Tax Increment with respect to the items of Property subject to the abatement proceedings, and shall deposit the withheld amount into a separate interest-bearing escrow account. Upon final action and completion of such abatement proceedings, the proper amount (based on the results of the abatement proceedings plus an allocable share of the interest accrued thereon) held in escrow account shall be paid to the Developer.

Section 3.3. Failure to Make Payment.

If the City should fail to, or be unable to, make any payment pursuant to this agreement, any such payments shall continue as a limited obligation of the City as provided in this Agreement. The Developer shall have the right to initiate and maintain an action to specifically enforce the City's obligation hereunder, including without limitation, the City's obligation to deposit Tax Increment Revenues to the Development Program Fund and thereafter to the Hartt Transportation Systems, Inc Project Cost account and its obligation to make payment to the Developer.

Section 3.4. Manner of Payments.

The payments provided for in this Article III shall be paid directly to the Developer in the manner provided hereinabove for its own use and benefit. A City of Auburn check will be acceptable.

Section 3.5. Obligations Unconditional.

Except as otherwise expressly provided in this Agreement, the obligations of the City to make the payments from the Development Program Fund described in this Agreement in accordance with the terms hereof shall be absolute and unconditional irrespective of any defense or any right of set off, recoupment or counterclaim it might otherwise have against the Developer. Except as otherwise expressly provided in this agreement, the City shall not suspend or discontinue any such payment or terminate this agreement for any cause, including without limitation, any act or circumstance that may constitute failure of consideration or frustration of purpose or any damage to our destruction of the Project or any change in the tax or other laws of the United States, the State or any political subdivision of either thereof, or any failure of the Developer to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement. Notwithstanding the above, the City and the Developer each reserve the right to terminate this Agreement (except section 8.11 pertaining to indemnification) upon a final judgment by a court of competent jurisdiction that the Agreement or Development Program adopted in connection herewith is illegal or invalid. In such event, the termination shall be effective as of the date of such decision and neither party shall have any obligation or liability hereunder, under the Development Program or in respect of any of the transactions contemplated hereby, and shall be left in whatever positions, financial or otherwise, they may be in as of the date of termination. Such termination shall not, however, affect the Developer's obligation to defend and indemnify the City, which obligation shall survive any such termination.

Section 3.6. Limited Obligation.

The City's obligation to make payment in accordance with this Agreement shall be a limited obligation of the City payable solely from the Development Program Fund, excluding any earnings thereon, pledged therefore under this Agreement. The City's obligation hereunder shall not constitute a general debt or a general obligation or charge against or pledge of the faith and credit or taxing power of the City, the State, or any municipality or political subdivision thereof, but shall be payable solely from the Development Program Fund, excluding any earnings thereon. This Agreement shall not directly or indirectly or contingently obligate the City, the State, or any other municipality or political subdivision to levy or to pledge any form of taxation whatever therefore or to make any appropriation for payment due pursuant to this Agreement, except in the City's obligation to assess Property taxes upon the Project and the pledge of the Developer's Hartt Transportation Systems, Inc Project Cost Account, excluding earnings thereon, established under this Agreement.

ARTICLE IV: PLEDGE AND SECURITY INTEREST

Section 4.1. Pledge of Hartt Transportation Systems, Inc Project Cost Account.

In consideration of this Agreement and other valuable consideration and for the purpose of securing payment of the amounts provided for hereunder to the Developer by the City, according to the terms and conditions contained herein, and subject to the City's right pursuant to this agreement, the City does hereby grant a security interest in and pledge the Developer the Hartt Transportation Systems, Inc Project Cost Account and sums of money and other securities and investments therein, excluding earnings thereon.

Section 4.2. Protection of Interest.

The City shall cooperate with the Developer in causing appropriate financing statements and continuation statements setting forth the Developers interest in the Hartt Transportation Systems, Inc Project Cost Account to be duly filed and recorded in the appropriate State offices as required by and permitted under the provisions of the Uniform Commercial Code or other similar law as adopted by the State and any other applicable jurisdiction, as from time to time amended, in order to perfect and maintain the security interests created hereunder. To the extent deemed necessary by the Developer, the City will at such time and from time to time as requested by Developer establish the Hartt Transportation Systems, Inc Project Cost Account as a segregated fund under the control of an escrow agent, trustee or other fiduciary so as to perfect Developer's interest therein.

Section 4.3. Further Instruments.

The City shall, upon the reasonable request of the Developer, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the provisions of this Agreement; provided, however, that no such instruments or actions shall pledge the credit of the City, materially disadvantage the City, or materially change this Agreement.

Section 4.4. No Disposition of Hartt Transportation Systems, Inc Project Cost Account.

Except as permitted hereunder, the City shall not sell, lease, pledge, assign or otherwise dispose, encumber or hypothecate any interest in the Hartt Transportation Systems, Inc Project Cost Account.

Section 4.5. Access to Books and Records.

All books, records and documents in the possession of the City relating to the District, the Development Program, the Agreement and the monies, revenues and receipts on deposit or required to be deposited into the Hartt Transportation Systems, Inc Project Cost Account shall at all reasonable times be open to inspection by the Developer, its agents and employees.

ARTICLE V: DEFAULTS AND REMEDIES

Section 5.1. Events of Default.

Each of the following events shall constitute and be referred to in this Agreement as an "Event of Default":

Any failure by the City to pay any amount from the Hartt Transportation Systems, Inc Project Cost Account to the Developer when the same shall become due and payable;

Any failure by the City to make deposits of Tax Increment Revenues into the Development Program Fund as and when due;

Any failure by the City to make deposits into Hartt Transportation Systems, Inc Project Cost Account as and when due;

Any failure by a party hereto to observe and perform in all material respects any covenant, condition, agreement or provision contained herein on the part of the party to be observed or performed; and

If a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator or receiver or liquidator of, any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, both for the winding up or liquidation of a party's affairs shall have been entered against the party or the party shall have consented to the appointment of a conservator or receiver or liquidator and any such proceedings of or relating to the party or of or relating to all or substantially all of its property, including without limitation, the filing of a voluntary petition in bankruptcy by the party or the failure by the party to have a petition in bankruptcy dismissed within a period of 90 consecutive days following its filing or in the event and order for release has been entered under the Bankruptcy Code with respect to the party.

Section 5.2. Remedies on Default.

Whenever any Event of Default referred to in section 5.1 hereof shall have occurred and be continuing for a period of fifteen (15) days after a party's receipt from the other party of written notice of an Event of Default by the party, the other party may (a) specifically enforce the performance or observance of any obligations, agreement or covenants of the defaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder or (b) suspend its performance under this Agreement for so long as the Event of Default continues or remains uncured.

Section 5.3. Remedies Cumulative.

No remedy herein conferred upon or reserved to a party is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to the remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to exercise any right or power accruing upon any Event of Default, to insist upon the strict performance of any covenant or Agreement herein set forth or to exercise any right or remedy upon the occurrence of an Event of Default shall not impair any such right or power or be considered or taken as a waiver or

City of Auburn

relinquishment for the future of the rights to insist upon and to enforce, from time to time and as often as may be deemed expedient, by injunction or other appropriate legal or equitable remedy, strict compliance by the party with all of the covenants and conditions hereof, or of the rights to exercise any such right or remedy, if such Events of Default be continued or repeated.

Section 5.4. Waiver of Governmental Immunity.

To the extent allowed by law, the City hereby waives its governmental immunity (but not any tort immunity) with respect to any action or suit undertaken by Developer, its successors or assigns, arising out of, resulting from or involving any alleged default by the City hereunder or failure by the City to observe or perform any of its obligations hereunder, it being understood and agreed that such waiver is a material inducement to the Developer entering into this Agreement and continuing its pursuit of the Project. The parties agree that in the event of any dispute or disagreement hereunder the City shall continue to make payment of all amounts due hereunder in the manner and at the times specified herein until final resolution of such dispute, whether by mutual agreement or final decision of a court, arbitrator or otherwise dispute resolution mechanism. Except as expressly provided in this Agreement, the City hereby waives any right to withhold, suspend or setoff payments during the pendency of any such dispute. Provided, however, that nothing herein shall be deemed a waiver to the City's tort immunity. The City agrees that it will not in any manner challenge or contest the validity of this Agreement, the Development Plan or the proceedings for the adoption and approval of the same.

Section 5.5. Tax Laws.

The parties acknowledge that all laws of the state now in effect or hereafter enacted with respect to taxation of property shall be applicable and that the City, by entering into this Agreement, is not excusing any nonpayment of taxes by Developer. Without limiting the foregoing, the City and the Developer shall always be entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on Developer's property.

ARTICLE VI: EFFECTIVE DATE, TERM AND TERMINATION

Section 6.1. Effective Date and Term.

This agreement shall remain in full force from the Effective Date and shall expire July 1, 2035 or upon the payment of all amounts due to the Developer hereunder and the performance of all obligations on the part of the City hereunder unless sooner terminated pursuant to Section 3.5, this Section 6.1, Section 8.3 or any other applicable provision of this Agreement. Thereafter, all property within the district shall be taxable by the City to the extent provided by law.

Section 6.2. Cancellation and Expiration of Term.

At the termination or other expiration of this Agreement and following full payment of all

City of Auburn

amounts due and owing to the Developer hereunder or provision for payment thereof, the City and the Developer shall each execute and deliver such documents and take or cause to be taken such actions as may be necessary to evidence the termination of this Agreement.

ARTICLE VII: ASSIGNMENT AND PLEDGE OF DEVELOPER'S INTEREST

Section 7.1. Consent to Pledge and/or Assignment.

The City hereby acknowledges that it is the intent of the Developer to pledge and assign its right, title and interest in, to and under this Agreement as collateral for financing for the project, although no obligation is hereby imposed on the Developer to make such assignment or pledge. Recognizing this intention, the City does hereby consent and agree to the pledge and assignment of all the developers right, title and interest in, to and under this Agreement and in and to the payments to be made to Developer hereunder, to third parties as collateral or security for indebtedness, on one or more occasions during the term hereof.

Section 7.2. Pledge, Assignment or Security Interest.

Subject to the limitations set forth in Section 3.3, City agrees to execute and deliver any assignments, pledge agreements, consents or other confirmations required by the protective pledge or assignee, including without limitation recognition of the pledge or assignee as the holder of all right, title and interest herein (to the extent provided by the Act) and as the payee of amounts due and payable hereunder and any and all such other documentation as shall confirm to such pledge or assignee the position of such assignee or pledge and binding nature of this Agreement and provide to the pledge or assignee such rights and/or remedies as the Developer under this Agreement for the establishing, protection and protection of its interest herein.

Section 7.3. Assignment.

The Developer shall have the unrestricted right to transfer and assign all or any portion of its rights in, to and under this Agreement, at any time, and from time to time, as Developer may, in its sole discretion, deem appropriate, provided that the Developer is not in default of this Agreement at the time of such assignment. An assignment to a party which is not an affiliate of the Developer may be made only with the consent of the City, which consent will not unreasonably be withheld.

ARTICLE VIII: MISCELLANEOUS

Section 8.1. Successors.

In the event of the dissolution of the City or the Developer or any sale or other transfer of all or substantially all of the Project, the covenants, stipulations, promises and Agreement set forth herein, by or on behalf of or for the benefit of such party shall bind or inure to the benefit of the successors and assigns thereof from time to time and any entity, officer, board,

City of Auburn

commission, agency or instrumentality to whom or to which any power or duty of such party shall be transferred.

Section 8.2. Parties in Interest.

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City and the Developer any right, remedy or claim under or by reason of this Agreement, it being intended that this agreement shall be for the sole and exclusive benefit of the City and the Developer.

Section 8.3. Non-Severability.

In case any one or more of the material provisions of this agreement shall, for any reason, be held to be illegal or invalid, then this Agreement (except Section 8.11 pertaining to indemnification) may, at the option of either party, be terminated as of the date on which such holding becomes final. To exercise such option, the terminating party shall send written notice of termination to the other party within sixty (60) days after the date on which such holding becomes final.

Section 8.4. No Personal Liability of Officials of the City.

No covenant, stipulation, obligation or agreement of the City contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the City in his or her individual capacity and neither any member of the City Council, the City Manager or the Assessor of the City, nor any registered voter of the City nor any official, officer, employee or agent of the City shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

Section 8.5. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

Section 8.6. Governing Law.

The laws of the State shall govern the construction and enforcement of this agreement in all respects.

Section 8.7. Notices.

All notices, certificates, requests, requisitions or other communications by the City or the Developer pursuant to this Agreement shall be in writing and shall be sufficiently given and shall be deemed given when mailed by first-class mail, postage prepaid, addressed as follows:

City of Auburn

If to the City:

Howard Kroll, City Manager City of Auburn
60 Court Street, Suite 243
Auburn, ME 04210 With a copy to:
Roland Miller, Economic Development Director City of Auburn
60 Court Street, Suite 102
Auburn, ME 04210

If to the Developer:

Hartt Transportation Systems, Inc
PO Box 1385
Bangor, ME 04402

Either of the parties may, by written notice given to the other, designate any different address to its subsequent notices, certificates, requests or other communications shall be sent hereunder.

Section 8.8. Amendments.

Neither this Agreement nor the Development Program may be amended without the express written consent of the parties hereto.

Section 8.9. Integration.

This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, both written and oral, between the City and the Developer relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

Section 8.10. Authority of the City.

The Developer and the City waive any right to which either may have to contest, and shall not take any action to challenge, the other's authority to enter into, perform or enforce the Agreement or to carry out the Development Program or the validity or enforceability of this Agreement, the District or the Development Program. The City and the Developer shall each utilize their respective best efforts to uphold the District, the Development Program, this Agreement and the City's authority to enter into this Agreement and the validity and enforceability of the District, the Development Program and this Agreement, including without limitation opposing, to the extent permitted by law, any litigation or proceeding challenging such authority, validity or enforceability.

Section 8.11. Indemnification.

City of Auburn

Developer shall at its own expense defend, indemnify, and hold harmless the City, its officers, agents, and employees from and against any and all liability, claims, damages, penalties, losses, expenses, or judgments relating in any manner to the District, the Project, the Development Program or this Agreement or arising from injury or death to any person or property damage sustained by anyone in and about the District or the Project or as a result of activities or services at the Project, resulting from any negligent act or omission of Developer, its officers, agents, servants, employees, or persons in privity with Developer, except to the extent that such injury, death, or property damage results from any negligent act or omission of the City, its officers, agents, employees or servants. Developer shall, at its own cost and expense, defend any and all suits or actions, just or unjust which may be brought against City upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, material men, and suppliers. In cases in which the City is a party, the City shall have the right to participate at its own discretion and at its own expense and no such suit or action shall be settled without prior written consent of the City.

Without limiting the foregoing, the Developer agrees to reimburse any expenses incurred by the City in connection with this Agreement, the Project, the Development Program or any other instrument executed and delivered by the City in connection with this Agreement or the Development Program.

Notwithstanding any other provisions of this Agreement, this section shall survive any termination of this agreement.

The foregoing indemnification shall not apply to any action brought by the Developer to enforce this Agreement or to realize the benefit of this Agreement.

Section 8.12. Net Agreement.

This Agreement shall be deemed and construed to be a "net agreement," and the City shall pay absolutely net during the term hereof all payments required hereunder, free of any deductions, and without abatement, deductions or setoffs; provided, it is understood that the City's payment obligations are to be satisfied solely from Retained Tax Increment Revenues actually paid in by the Developer and received by the City, and earnings thereon.

Section 8.13. Benefit of Assignees or Pledges.

The City agrees that this Agreement is executed in part to induce assignees or pledges to provide financing for the Project and accordingly all covenants and agreements on the part of the City as to the amounts payable hereunder are hereby declared to be for the benefit of any such assignee or pledge from time to time of the Developer's right, title and interest herein.

INWITNESS WHEREOF, the City of Auburn and the Developer have executed this Agreement this ____ day of _____, 2014.

Witness By: _____
Its City Manager

State of Maine Androscoggin County

Before me personally appeared _____ who swore that the above was her true fact and deed.

Notary Public
My commission expires: _____

Witness By: _____
Its President
Hartt Transportation Systems, Inc

Date: _____

State of Maine
Androscoggin County

Before me personally appeared _____ who swore that the above was her true fact and deed.

Notary Public
My commission expires: _____

Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
Adam Lee, Ward Four



Leroy Walker, Ward Five
Belinda Gerry, At Large
David Young, At Large

Jonathan P. LaBonte, Mayor

IN CITY COUNCIL

ORDER 102-12152014

ORDERED, that the City Manager is authorized to execute all documents and submit #19 Hartt Transportation Industrial Park Omnibus Municipal Tax Increment Finance District to the State of Maine Department of Economic & Community Development.



City Council Information Sheet

City of Auburn

Council Workshop or Meeting Date: 12-15-2014

Order 103-12152014

Author: Sue Clements-Dallaire

Subject: Automobile Graveyard/Junkyard permit for Morris Auto

Information: It has taken some time to get the property in compliance but the owner has made substantial operating improvements over the past few months. Attached is a staff memo with additional information.

Advantages: Allow the property owner a chance to prove that he can continue operate in compliance over the next 9 +/- months and avoid the legal fees associated with enforcement to penalize the operator for past failures to comply.

Disadvantages: We won't recoup existing staff and minimal legal costs and the owner may fail to comply in the future. We have projects that require our attention and pursuing enforcement on this one would not be the best use of staff time.

City Budgetary Impacts: Avoid further expenses.

Staff Recommended Action: Approve the license for the remainder of the year and make it clear to the owner that we will conduct random inspections and take action if needed.

Previous Meetings and History: The public hearing and Automobile Graveyard/Junkyard permit renewal for Morris Auto went before Council on September 22, 2014 and due to on-going violations, the permit was denied. After working diligently with the applicant, he is finally in compliance.

Attachments:

Memo from Eric Cousens

30-A Sec. 3753

30-A Sec. 3754

30-A Sec. 3756

Public hearing ad

Order 103-12152014

City of Auburn, Maine

"Maine's City of Opportunity"

Office of Planning & Permitting

To: Honorable Mayor and City Council

From: Eric J. Cousens, Deputy Director of Planning and Development

Re: 2014 Morris Auto Junkyard License Inspections

Date: December 10, 2014

On November 17, 2014, City Manager Howard Kroll, Myself and Councilor Walker toured the Don's Towing/Morris Auto Parts site with the owner Don St. Germaine. As you know we have spent a lot of time and some money working with Don to bring him into compliance over the last year or two, and he is finally there. There are no more fluid filled vehicles in the floodplain area out back and he has essentially delineated the prohibited area as we requested. Don has made it very clear that he will not sign an agreement that includes penalties and/or plantings in front of his fence. Our goal has always been to bring him into compliance and to document the areas where he can/cannot store vehicles with fluids to ensure oil filled cars are not flooded and all other standards are met for the operation of the marginal junkyard.

At this point we can reconsider his license or risk spending a substantial amount on legal fees to collect past costs and seek a penalty for past non-compliance. I want to thank you for taking a stand and letting Don know that without compliance the license would not be issued. My recommendation is to issue the license give him a chance to prove that he can remain in compliance for the remainder of the permit year. To monitor for compliance staff will do 2-3 random inspections between now and September 2015 and will report back to the Council if violations are found so that the license can be revoked or legal action can be taken. Thank you for your support on getting him to comply.

Maine Revised Statutes

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§3752

Title 30-A:

§3754

MUNICIPALITIES AND COUNTIES

HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

Part 2: MUNICIPALITIES HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

Subpart 6: REGULATION, LICENSES AND PERMITS HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

Chapter 183: ECONOMIC REGULATION HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

Subchapter 1: JUNKYARDS AND AUTOMOBILE GRAVEYARDS HEADING: PL 1991, C. 548, PT. B, §4 (RPR)

§3753. Permit required

A person may not establish, operate or maintain an automobile graveyard, automobile recycling business or junkyard without first obtaining a nontransferable permit from the municipal officers of the municipality in which the automobile graveyard, automobile recycling business or junkyard is to be located, or from the county commissioners of the county of any unorganized territory in which the automobile graveyard, automobile recycling business or junkyard is to be located. Permits issued to an automobile graveyard or junkyard under this section are valid until the first day of the following year; except that, beginning in calendar year 2004, permits issued to an automobile graveyard or junkyard under this section are valid until the first day of October of the following year. Permits issued to an automobile recycling business under this section are valid for 5 years from the date of issuance and are renewable provided that the permit holder furnishes a sworn statement, annually, on the anniversary date of the granting of the permit, that the facility complies with the standards of operation applicable at the time of issuance of the permit. A person operating a business that involves the recycling of automobiles may operate under a permit for an automobile graveyard or a permit for an automobile recycling business. [2003, c. 312, §7 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 1993, c. 173, §4 (AMD). 2003, c. 312, §7 (AMD).

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§3753**Title 30-A:****§3754-A**

MUNICIPALITIES AND COUNTIES

HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

Part 2: MUNICIPALITIES HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

Subpart 6: REGULATION, LICENSES AND PERMITS HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

Chapter 183: ECONOMIC REGULATION HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

Subchapter 1: JUNKYARDS AND AUTOMOBILE GRAVEYARDS HEADING: PL 1991, C. 548, PT. B, §4 (RPR)

§3754. Hearings

Municipal officers or county commissioners, as provided for in section 3753, shall hold a public hearing before granting a permit to establish a new automobile graveyard, automobile recycling business or junkyard and may hold public hearings annually regarding the relicensing of these facilities. Municipal officers or county commissioners shall require an applicant to provide proof of mailing the notice of the application to all abutting property owners. Municipal officers or county commissioners shall also post a notice of the hearing at least 7 and not more than 14 days before the hearing in at least 2 public places in the municipality or unorganized territory and publish a notice in one newspaper having general circulation in the municipality or unorganized territory in which the automobile graveyard, automobile recycling business or junkyard is to be located. The municipal officers or county commissioners shall give written or electronic notice of the application to establish a new automobile graveyard or automobile recycling business to the automobile dealer licensing section of the Department of the Secretary of State, Bureau of Motor Vehicles by mailing a copy of the application at least 7 and not more than 30 days before the hearing. The municipal officers or county commissioners shall give written notice of the application to the public water supplier if the application is for an automobile graveyard, automobile recycling business or junkyard located within the supplier's source water supply area. The notice may be given by mailing a copy of the application at least 7 and not more than 14 days before the hearing. [2005, c. 424, §2 (AMD).]

SECTION HISTORY

1987, c. 737, §2A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §8C8,10 (AMD). 1993, c. 173, §4 (AMD). 1999, c. 761, §5 (AMD). 2003, c. 312, §8

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MUNICIPALITIES AND COUNTIES		
HEADING: PL 1987, C. 737, PT. A, §2 (NEW)		
Part 2: MUNICIPALITIES HEADING: PL 1987, C. 737, PT. A, §2 (NEW)		
Subpart 6: REGULATION, LICENSES AND PERMITS HEADING: PL 1987, C. 737, PT. A, §2 (NEW)		
Chapter 183: ECONOMIC REGULATION HEADING: PL 1987, C. 737, PT. A, §2 (NEW)		
Subchapter 1: JUNKYARDS AND AUTOMOBILE GRAVEYARDS HEADING: PL 1991, C. 548, PT. B, §4 (RPR)		

§3756. Permit fees

The municipal officers or county commissioners shall collect, in advance from the applicant for a permit, a fee in accordance with the following schedule: [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Graveyard or junkyard. Fifty dollars for each application for an automobile graveyard or junkyard plus the cost of posting and publishing the notice under section 3754;

[2005, c. 424, §7 (AMD) .]

2. Graveyard or junkyard within 100 feet from highway.

[2003, c. 312, §12 (RP) .]

3. Recycling business. Two hundred fifty dollars for a 5-year permit for an automobile recycling business plus the cost of posting and publishing the notice under section 3754; or

[2003, c. 312, §12 (AMD) .]

4. Fee. A fee as otherwise established by municipal ordinance or rule.

[2003, c. 312, §12 (NEW) .]

SECTION HISTORY

1987, c. 737, §2A, C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §8, 10 (AMD). 1993, c. 173, §7 (AMD). 2003, c. 312, §12 (AMD). 2005, c. 424, §7 (AMD).

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City of Auburn
Public Hearing

Notice is hereby given that a public hearing will be held by the Municipal Officers of the City of Auburn on an application for Automobile Graveyard/Junkyard Permit at 940 Washington Street – Morris Auto Mart. The public hearing will be held on Monday, December 15, 2014, in the Council Chambers, Auburn Hall, 60 Court Street at 7:00 P.M. or as soon thereafter as it may be heard. All interested persons may appear and will be given the opportunity to be heard before final action is taken on said applications.

Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
David Young, Ward Four



Leroy Walker, Ward Five
Belinda Gerry, At Large
Joshua Shea, At Large

Jonathan LaBonte, Mayor

IN CITY COUNCIL

ORDER 103-12152014

ORDERED, that the City Council hereby approves the request for an Auto Graveyard/Junkyard permit for Morris Auto Parts, 940 Washington Street North.



City Council Information Sheet

City of Auburn

Council Meeting Date: 12/15/2014

Subject: Executive Session

Information: Discussion regarding a real estate matter, pursuant to 1 M.R.S.A. Section 405(6)(C).

Executive Session: On occasion, the City Council discusses matters which are required or allowed by State law to be considered in executive session. Executive sessions are not open to the public. The matters that are discussed in executive session are required to be kept confidential until they become a matter of public discussion. In order to go into executive session, a Councilor must make a motion in public. The motion must be recorded, and 3/5 of the members of the Council must vote to go into executive session. An executive session is not required to be scheduled in advance as an agenda item, although when it is known at the time that the agenda is finalized, it will be listed on the agenda. The only topics which may be discussed in executive session are those that fall within one of the categories set forth in Title 1 M.R.S.A. Section 405(6). Those applicable to municipal government are:

A. Discussion or consideration of the employment, appointment, assignment, duties, promotion, demotion, compensation, evaluation, disciplining, resignation or dismissal of an individual or group of public officials, appointees or employees of the body or agency or the investigation or hearing of charges or complaints against a person or persons subject to the following conditions:

- (1) An executive session may be held only if public discussion could be reasonably expected to cause damage to the individual's reputation or the individual's right to privacy would be violated;
- (2) Any person charged or investigated must be permitted to be present at an executive session if that person so desires;
- (3) Any person charged or investigated may request in writing that the investigation or hearing of charges or complaints against that person be conducted in open session. A request, if made to the agency, must be honored; and
- (4) Any person bringing charges, complaints or allegations of misconduct against the individual under discussion must be permitted to be present.

This paragraph does not apply to discussion of a budget or budget proposal;

B. Discussion or consideration by a school board of suspension or expulsion of a public school student or a student at a private school, the cost of whose education is paid from public funds, as long as:

- (1) The student and legal counsel and, if the student is a minor, the student's parents or legal guardians are permitted to be present at an executive session if the student, parents or guardians so desire;

C. Discussion or consideration of the condition, acquisition or the use of real or personal property permanently attached to real property or interests therein or disposition of publicly held property or economic development only if premature disclosures of the information would prejudice the competitive or bargaining position of the body or agency;

D. Discussion of labor contracts and proposals and meetings between a public agency and its negotiators. The parties must be named before the body or agency may go into executive session. Negotiations between the representatives of a public employer and public employees may be open to the public if both parties agree to conduct negotiations in open sessions;

E. Consultations between a body or agency and its attorney concerning the legal rights and duties of the body or agency, pending or contemplated litigation, settlement offers and matters where the duties of the public body's or agency's counsel to the attorney's client pursuant to the code of professional responsibility clearly conflict with this subchapter or where premature general public knowledge would clearly place the State, municipality or other public agency or person at a substantial disadvantage;

F. Discussions of information contained in records made, maintained or received by a body or agency when access by the general public to those records is prohibited by statute;

G. Discussion or approval of the content of examinations administered by a body or agency for licensing, permitting or employment purposes; consultation between a body or agency and any entity that provides examination services to that body or agency regarding the content of an examination; and review of examinations with the person examined; and

H. Consultations between municipal officers and a code enforcement officer representing the municipality pursuant to Title 30-A, section 4452, subsection 1, paragraph C in the prosecution of an enforcement matter pending in District Court when the consultation relates to that pending enforcement matter.



City Council Information Sheet

City of Auburn

Council Meeting Date: 12/15/2014

Subject: Executive Session

Information: Discussion regarding a real labor contracts, pursuant to 1 M.R.S.A. Section 405(6)(D).

Executive Session: On occasion, the City Council discusses matters which are required or allowed by State law to be considered in executive session. Executive sessions are not open to the public. The matters that are discussed in executive session are required to be kept confidential until they become a matter of public discussion. In order to go into executive session, a Councilor must make a motion in public. The motion must be recorded, and 3/5 of the members of the Council must vote to go into executive session. An executive session is not required to be scheduled in advance as an agenda item, although when it is known at the time that the agenda is finalized, it will be listed on the agenda. The only topics which may be discussed in executive session are those that fall within one of the categories set forth in Title 1 M.R.S.A. Section 405(6). Those applicable to municipal government are:

A. Discussion or consideration of the employment, appointment, assignment, duties, promotion, demotion, compensation, evaluation, disciplining, resignation or dismissal of an individual or group of public officials, appointees or employees of the body or agency or the investigation or hearing of charges or complaints against a person or persons subject to the following conditions:

- (1) An executive session may be held only if public discussion could be reasonably expected to cause damage to the individual's reputation or the individual's right to privacy would be violated;
- (2) Any person charged or investigated must be permitted to be present at an executive session if that person so desires;
- (3) Any person charged or investigated may request in writing that the investigation or hearing of charges or complaints against that person be conducted in open session. A request, if made to the agency, must be honored; and
- (4) Any person bringing charges, complaints or allegations of misconduct against the individual under discussion must be permitted to be present.

This paragraph does not apply to discussion of a budget or budget proposal;

B. Discussion or consideration by a school board of suspension or expulsion of a public school student or a student at a private school, the cost of whose education is paid from public funds, as long as:

- (1) The student and legal counsel and, if the student is a minor, the student's parents or legal guardians are permitted to be present at an executive session if the student, parents or guardians so desire;

C. Discussion or consideration of the condition, acquisition or the use of real or personal property permanently attached to real property or interests therein or disposition of publicly held property or economic development only if premature disclosures of the information would prejudice the competitive or bargaining position of the body or agency;

D. Discussion of labor contracts and proposals and meetings between a public agency and its negotiators. The parties must be named before the body or agency may go into executive session. Negotiations between the representatives of a public employer and public employees may be open to the public if both parties agree to conduct negotiations in open sessions;

E. Consultations between a body or agency and its attorney concerning the legal rights and duties of the body or agency, pending or contemplated litigation, settlement offers and matters where the duties of the public body's or agency's counsel to the attorney's client pursuant to the code of professional responsibility clearly conflict with this subchapter or where premature general public knowledge would clearly place the State, municipality or other public agency or person at a substantial disadvantage;

F. Discussions of information contained in records made, maintained or received by a body or agency when access by the general public to those records is prohibited by statute;

G. Discussion or approval of the content of examinations administered by a body or agency for licensing, permitting or employment purposes; consultation between a body or agency and any entity that provides examination services to that body or agency regarding the content of an examination; and review of examinations with the person examined; and

H. Consultations between municipal officers and a code enforcement officer representing the municipality pursuant to Title 30-A, section 4452, subsection 1, paragraph C in the prosecution of an enforcement matter pending in District Court when the consultation relates to that pending enforcement matter.